World news

Monday April 14 1986

EUROPE'S BUSINESS NEWSPAPER

D 8523 B

Mandela predicts end of white rule cash call

Black nationalist leader Winnie Mandela said South Africa's black majority would free itself from white rule this year and hinted that violence might be used to achieve it. Mandela, on a speaking tour of three black townships near Johan-nesburg, told a cheering crowd: We have reached a very serious stage in our struggle. The time for speeches and debate has come to an

"Together, hand-in-hand with our sticks of matches, with our neck-laces, we shall liberate this coun-try." The necklace is the name for a gruesome method of killing with

israeli crisis leads to party showdown

The Israeli Cabinet was due to meet last night for what was expected tohe a final showdown in the protract-

ed political crisis.

The Labour Party's determina-tion to bunish Finance Minister Mr Yitzhak Moda'i from his post for the remaining 2½ years of the National Unity. Government's life has emerged as the chief barrier to a settlement.

Zia warns Bhutto

Supporters of Pakistan opposition leader Benazir Bhutto planned their third mass rally in four days despite a warning from President: Mohammed Zia ul-Haq not to push the campaign for new elections too far. Page 2

Three die in Punjab

Three people were killed in continued Punjab violence as militants urged India's 14m Sikhs to take up arms in their struggle against the Government of Prime Minister Rajiv Gandhi

Seamen on strike West German merchant seamen be-

gan an indefinite strike for better pay and conditions in the first such stoppage by German sailors for 90

Pope at synagogue

The Pope paid a 90-minute visit to the Synagogue of Rome, the first time a leader of the Roman Catholic

Pro-Marcos raily Several thousand supporters of

held a protest demonstration in Manila against the Government of Corazon Aquino. Page 2.

Army major jailed Kuwait's state security court jailed army major Abdul Rahim Mo-hammed Fakro for 10 years for inciting the overthrow of the Govern-

Centrists win seats

The centrist Umma party of former prime minister Sadeq al-Mahdi took two of the first three seats declared as ballots were counted after Sudan's first multi-party elections in 18 years.

Afghan rebeis killed

Afghanistan said its troops had killed 700 Moslem rebels in an of-fensive along the Pakistan border but Peshawar-based guerillas said the death toll was around 100.

Gulf attack claimed Iraqi aircraft hit two "large naval ts" off the Iranian coast in the Gulf, a military communique said.

Kidnap baffles police Irish police said they were con-

cerned and baffled by the continued silence of a kidnap gang that seized a Dublin banker's wife linked to the Guinness brewing family six days

Wheelchair trek

Two handicapped Britons began a 2,000 mile (3,200 km) wheelchair journey from Turkey to Birmingham to support the British city's bid to host the 1992 Olympic Games.

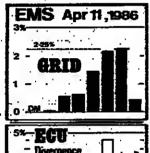
Business summary Saatchi to \$400m

based international advertising agency. is to launch a £400m (\$590m) rights issue to fund its agacquisition programme

launch

BRITAIN will not amend its proposed 5 per cent tax on conversion of UK shares into American depositary receipts, said Chancellor of the Exchequer Nigel Lawson. Page 20

EUROPEAN Monetary System: The D-Mark was given heavy support by central banks last week as the French franc was fixed at its upper limit against the D-Mark. The mand as the market took advantage



tial between West Germany and France. However, pressure is unlikely to last as the D-Mark will ultimately benefit from West Germany's much lower inflation rate. Elsewhere the Belgian franc shrugged off two %-point cuts in the Belgian discount rate and was con-logiably placed andway in the system Currencies, Page 44

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lind) ning move more than 2% per cent, The lower chart gives each curren-cy's divergence from its "central rate" against the European Curren-cy Unit (ECU), itself a basket of Eu-

ARGENTINA is this week to receive a further \$600m from its commercial bank creditors, the third instalment of a \$4.2bn credit arranged last year. Page 2

ousted President Ferdinand Marcos UK manufacturing pay settlements averaged 6% per cent in the first quarter of 1986, Page 7

> GUTHRIE industrial holding group which was formerly one of the largest British plantation groups in Malaysia, will return to the London stock market in June in a flotation expected to value it at more than £110m (\$162m). Page 7; Details,

> BRITISH SHIPBUILDERS is proceeding with its EEC anti-dumping case against Japanese shipbuilder Mitsubishi Heavy Industries.

CHANNEL TUNNEL Group is planning a share placing to raise about £150m (\$220m) in June and an £850m international share issue next year. Page 7

AUSTRALIAN businessman, Robert Holmes à Court, is seeking a substantial stake in the British direct broadcasting by satellite fran-

chise. Page 8 SCHERING, West German pharma ceutical and chemical company boosted earnings to DM 112m (\$47.9m) last year from DM 91m

previously and proposes an un-changed dividend. INTERFIRST, Dallas-based banking group, proposed slashing its quarterly dividend to 2.5 cents a chare from 15 cents a share after announcing an 86 per cent drop in first-quarter profits. Page 23

SRA-LAND, US container shipping group, said it will consider the new \$28 a share cash bid for outstanding shares by Harold Simmons who has been seeking control of the group for nine months. Page 23

US claims Libya plans dozens of terrorist attacks

BY STEWART FLEMING IN WASHINGTON AND TONY WALKER IN TRIPOLI

THE US has evidence that Colonel Muanmer Gedatti, Libya's leader, is planning "literally dozens" of fur-ther terrorist attacks around the world. Mr John Whitehead, the Deputy Secretary of State, said yes-

. If the US was to back away from the moves it is making to take mili-tary action against Libya it would have to believe that Col Gadaffi "had changed his conduct." Mr Whitehead said the Libyan

leader had "to stop training terror-ists, financing terrorists, supplying them with arms and supplying them with documents. As soon as he stops those actions we would certainly back away."
Interviewed on US television as

the Sixth Fleet massed off the Liby-an coast, Mr Whitehead added: "The prospect of military action is some thing only the President can decide on. He has not yet made that decision. It is one of his options." According to Mr Whitehead, there was very considerable evi-dence to indicate Libyan involve-ing in Libya could be at risk if the

ment in the recent bombing of a Sixth Fleet did launch an attack. West Berlin nightclub frequented

He compared Col Gadaffi to Adolf Hitler, saying that in the 1930s the German leader had been considered as "that funny little man with a moustache." But in the end he could only be removed from power by a world war. "We see some paral-lels with Gadaffi... the time to cor-rect the situation is now rather than later," added Mr Whitehead. The Administration has been di-

vided about whether or not to retaiiate militarily against Libya, with some officials arguing that such action would only make Col Gadaffi more influential. But there is a widespread percep

baulked in the past at a military response to terrorism those who favoured such action were now gaining the opper hand. In Tripoli, Col Gadaffi responded to the US threat by hinting that

thousands of foreign nationals liv-

tion in Washington that having

ied of Libyan personnel in order to make way for foreigners. The Liby-

targeted by the US had been emptan leader said the camps were to be used as residences for oilfield and petrochemical companies, and that American citizens were among those who had been moved. He did not elaborate about which

camps he was referring to and there has been no independent confirmation that foreigners have been moved to bases that may be US military targets.

Most of the approximately 1,000

Americans still in Libya despite warnings by the Reagan Adminis-tration to leave, are living in or near desert oilfields.

Western officials in Tripoli are sceptical about Col Gadaffi's state-

Continued on Page 20 Editorial comment, Page 18; How not to deal with terrorists,

EEC seeks joint stance in emergency talks

BY ROBERT MAUTHNER IN LONDON AND QUENTIN PEEL IN BRUSSELS

ropean Community will meet today numed at working out a joint European position on the US threat of a
military strike against Libya in retaliation for recent terrorist attacks
against American targets

against American terrorist attacks
against American targets.
The hashly arranged meeting,
called at the request of Italy and
Spain, will be held following a lightming tour of Western European capitals by Gen Vernon Waiters, the
US Ambassador to the United Nations, during which several government leaders urged the US to act with restraint. The consensus in the EEC is

clearly on the side of caution and the prevention of any further escalation of tension in the Mediterranean region. At the same time there is widespread sympathy in Western Europe for American anger at the recent terrorist attacks against a TWA airliner over Greece and a West Berlin discotheme.

President Ronald-Reagan from any military action which, in their opin-

meeting of the 12 foreign-ministers in January when President Reagan was seeking support for economic

All that was decided on that occasion was that the member countries should impose an arms embargo on any country implicated in supporting terrorism and to do nothing which would undermine US sanctions against Libya.

However, EEC diplomats recognise that if the US is to be deterred The dilemma facing the ministers from taking drastic military steps

FOREIGN MINISTERS of the European Community will meet today

President Ronald-Reagan from any

come up with something more than just pious words this time.

The Netherlands Government which is hosting the meeting as cur-rent chairman of the EEC Council of Ministers, believes that some kind of European diplomatic initiative could result from the meeting, although that is unlikely to satisfy

the Americans.
We could try to talk to all the was seeking support for exhaunt in the sanctions against Col. Gadaffi, the Libyan leader, after the terrorist bombings at Rome and Vienna airports their joint statement failed that, it is hard to see what else we can do. There is nothing new to discuss the problem was last on the case of terrory. the agenda in January.

Meanwhile, little or nothing has charges that the true deficit is bead-emerged from Gen Walters's secret ing for a figure nearer FFr 200bn talks in London, Bonn and Paris at the weekend. Downing Street and the British Foreign Office both declined to shed any light whatsoever on the US envoy's talks with Mrs Margaret Thatcher, the Prime Minister, last Saturday.

Continued on Page 20

tary budget due to be adopted at a full Cabinet session on Wednesday. The Government's efforts to cut the budget delicit have been compli-cated by additional spending mea-sures already promised by ministers, as well as by plans to ease the tax burden on companies and highncome earners.

Chirac

cut in

prepares

FFr 10bn

spending

MR JACQUES CHIRAC, the

French Prime Minister, yesterday

gathered together his new Govern

ment to work out FFr 10bn (\$1.3bn)

of spending cuts in the 1986 budget

as financial markets prepared for

lower French interest rates this

Mr Chirac met 24 Ministers to

prepare the way for a supplemen-

The measures are also likely to include a plan to curb youth unem-ployment by lowering social charges on companies that recruit young people. This could cut gov-erament revenue by up to FFr 5bo

year, depending on the final de-Although Mr François Guillaume, the Agriculture Minister, last week promised farmers several billion francs in tax breaks to boost agricultural incomes, Mr Alain Madelin, the Industry Minister, is leading efforts to find spending cuts through phasing out some grants to

Other suggestions for spending reductions are likely to include larger job cuts among civil servants -whose numbers are already planned to drop by 4,500 this year as well as cuts in public works programmes and trimming of peripherl government agencies.

Yesterday's meeting allowed the Chirac Government to work out a broad strategy for the reworked 1986 budget without the presence of President François Mitterrand, who presides over the Wednesday Cabi-net sessions at the Elysée palace. Mr Edouard Balladur, the Fr-

nance Minister, told journalists after the meeting that expenditure cuts would be made "as planned" and that new spending measures would be moderate. The 1986 budget deficit was fore-

cast by the outgoing Socialist Govthe right-wing administration ing for a figure nearer FFr 200bn because of extra state spending and reduced income in parts of the state's accounts taken out of budget calculations.

Lawson forecast of higher yen annoys Tokyo

BY PHILIP STEPHENS IN LONDON

JAPAN has reacted angrily to comnents last week in Washington by Mr Nigel Lawson, Britain's Chancellor of the Exchequer, which oushed up the value of the yen on foreign exchange markets.

The Japanese Government considers that Mr Lawson, who told journalists that leading industrial nations were expecting a further rise in the yen, flouted the informal conventions between governments covering public statements on ex-

change rates. It is also believed in Washington that Mr Lawson's apparently off-the-cuff statement at a press briefing during a meeting of the loterna-ticoal Mocetary Fund was co-ordinated in advance with Mr James Baker, the US Treasury Secretary. The explicit aim was to trigger a rise in the yeo on the foreign excbange markets.

Mr Lawson said on Thursday that all the main industrial countries with the exception of Japan expected the yen to rise further and that it would be "surprising" if that did not happen. The markets reacted instantly, pushiog the Japanese currency higher. It closed in New York on Thursday at Y177.25 per dollar against Y180.05 a day earlier. The Tokyo Government is annoy-

ed because it says that there is an understanding between finance ministers of the Group of Five lead-ing industrial nations (the US, Japan, West Germany, France and Britain) that public comments on exchange rates by individual minis-ters should be restricted to their own currency. Mr Lawson's remarks were not specifically direct-ed at the sterling/yeo rate but also

against the dollar. The day before the statement, Mr Lawson had held bilateral talks with Mr Baker, where the US Secretary had in turn expressed anger at comments made by Mr Noburu Takeshita, the Japanse Finance Minister.

After an earlier meeting with Mr Baker, Mr Takeshita said that Ja-pan and the US agreed on the need for stability in the dollar/yen rate. That was interpreted by the mar-kets as indicating that they believed the current rate was satisfactory after the yen's 25 per ceot appreciation since last September.

IMF insisted, however, that Mr Ta- stead of raising trade barriers.



Mr Nigel Lawson

receot intervention by its centra bank bas been limited to smoothing operations to prevent violent fluctutions in the dollar/ven rate, and has oot been aimed at preventing

the yeo from appreciating.

At his talks with Mr Baker, Mr Lawsoo is thought to have agreed to try to counter during his own press briefing the impact on the for-eign exchange markets of Mr Ta-keshita's remarks.

Mr Lawson has been in the forefroot of demands that the Japanese Government allow the yen to rise further and, unusually, a cumber of US journalists were personally in-vited to the oo-the-record briefing for British correspondents.

Stewart Fleming in Washington writes: Mr Yasuhiro Nakasone, the Japanese Prime Minister, was meeting with President Ronald Reagan yesterday amid signs that the US Administration is anxious to smooth over differences on ecocomic and trade policy between the two countries ahead of the Tokyo eco-

nomic summit in May.

Officials in Washington are expressing optimism about the latest proposals for reforming the Japanese economy contained in the Mackawa report, published in To-kyo last week, which one top White House official described as "a call for historic changes in Japan's economic structure": adding: "you have to remember that Japan is the only The Japanese delegation to the country in the world lowering in

keshita was referring to the common view that it was important to

Officials point out that the White House decision to bold the initial counter market volatility and that meeting between Mr Nakasone and

US tourists stick to own roads

BY TERRY DODSWORTH IN NEW YORK

tourist year. More than 2,000 miles away in Alaska, the airlines are gearing up for a similiar flood of visitors with a 60 per cent increase

in capacity.

About 3,000 miles to the west, Hawaiian tour agents are also talking about a banner year. And back in New York City, people who have not already made their hotel bookings for the July 4 centenary for the

mgs nor the any a cemenary for the statue of Liberty, might as well forget about it. Every hotel room, say the agencies, is already taken up.

The US surge to domestic travel is one result of the wave of terrories derivatives. ism during the past 12 months. Every rattle of the sabre in President Reagan's shedow war with Libya's Colonel Gadaffi has made the cash registers ring a little more loudly in

some US resorts.

To add a touch of irony under an Administration that has rarely tired in its attacks on the Communist hloc, terrorism has also brought a bound of interest in travel to East-ern Europe, Pan Am will re-launch flights to the Soviet Union at the end of this week and is putting on a new service to Poland. Police states. as one worried traveller remarked, tend to be safe for tourists, whatever President Reagan says about

WARDENS at Yellowstone Park, dle East first began to show signs of On the stock market, brokers are the jewel of the US national park stiffening into serious resistance puriting all sorts of stocks that em, are preparing for a bumper among US travellers last summer might benefit from the renewed enin the wake of the TWA jet hijack-ing. The series of incidents since then have sent the US tourist busi- chains to 12-month highs, and shorness in the Mediterranean basin in- ing up the motor companies.

running at about 30 per cent. In America this summer, this field, Gadaffi has won his war, says a frustrated Manhattan tourist

agent for Israel.

The period since the TWA hijacking has also seen a sharp economic swing that reinforces the changed political climate. The dollar started to head downwards after the October finance ministers' meeting and oil began its precipitious decline a month or so later. Both add up to a substantially increased inducement to Americans to stay at home and

the virtues of democracy. ists a Hesitations about travelling to rates some perts of Europe and the Midings.

Greece's holiday bookings this year are reported to have been halved, and a huge promotional effort has been mounted among US said a spokesman for Cruise American and the same of the sam travel agents. The Egyptian tourist ca, one of the leading rental groups business is in tatters, and the US for the hig recreational vehicles cancellation rate in Italian hotels is that will fill up camp sites across

Does all this add up to a precipitous fall in European tourist earnings from America this year? Not necessarily, says the European Tra-vel Commission, which looks after the interests of 23 non-Communis countries. The commission says agencies see a swing to "safer" desti should help hold up the overall figures.

British Airways says that its to Americans to stay at home and spend their deflated currency on fuel that is rapidly falling in price.

In most parts of the country it is already possible to buy high-quality, non-leaded petrol at well below them Europe, from Shannon to Si a gallon – and even as little as 70 the lesinki and Leningrad. Bookings in the Swint Thirm are defined in the swinter in the period that it is sookings are bearing up well, and that it had a record winter in the period that it had a record winter in the period that it had a record winter in the period that it had a record winter in the period that it had a record winter in the period that it had a record winter in the period that it had a record winter in the period that it had a record winter in the period to period that it had a record winter in the period to period to period the per cents - against about \$1.20 at the to the Soviet Union are claimed to peak. Hotels that depend on motor have doubled, and the Polish tourist ists are reporting higher occupancy agency in New York is expecting a

Continued on Page 20

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Rebel Philippines MPs stage a challenge to Aquino

BY SAMUEL SENOREN IN MANILA

Mrs Aquino, who was swept to THE GOVERNMENT of President Corazon Aquino of the Philippines power by the armed forces which faces a major challenge today when about 100 of the 183 elected Memarket the alection, said the session bers of the Parliament which she would be allowed to take place as Their move could eventually lead to the establishment of a rebel government.

The dissident MPs, contending a direct confrontation between Mrs that Mrs Aquino had no power to Aquino's Government and support-abolish Parliament because its ers of Mr Marcos who bave remembers were directly elected by the people in 1934, plan to install Mr Arturo Tolentino, the vice-Yesterday, several thousand sup-porters of Mr Marcos gathered in a presidential running-mate of ousted President Ferdinand Marcos, as park a few miles from Mrs Aquino's

Mr Marcos and Mr Tolentino were declared by the Parliament winners of the presidential poll in February in what Mrs Aquino said was a false proclamation.

W. German farmers join protest By Peter Bruce In Bonn

MORE THAN 50,000 West German farmers joined nationwide demon-strations at the weekend, calling for hanges in the European Comm ty's agricultural policies and in an attempt to press the Bonn Government to make extra national aids available to the industry.

Simmering dissatisfaction over

income among West Germany's farmers has boiled over since the devaluation of the French franc a week ago, which is likely to ensure higher incomes for French farmers. grouped in an attempt to topple Mrs Aquino. German farmers carried banners saying, among other things "flather be honourably dispossessed under socialism than be ground to nothing under capitalism."

Their anger has concerned Chan-cellor Helmut Kohl's Government alace to proclaim Mr Tolentino duly elected Vice President. Mr Tolentino, 75, who was absent which faces an important state elec during Mr Marcos's cath-taking on February 25 at the presidential pal-ace, accepted the proclamation January. tion in Lower Saxony in the summer and a general election next

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Stockman sees no hope for Reagan policy

MR DAVID STOCKMAN, the former Reagan Administra-tion Budget Director and an architect of the President's supply side economic policies in 1981, says in a hook to be published this month that the Reagan revolutionary social and economic policy was doomed to failure from the

outset. outset.

He maintains that his own, nalve optimism about the possibility of securing dramatic cots in government spending in Congress, the filmsy grasp which the President and most of bis top aides had of the economic policy issues the economic policy issues they were grappling with, and the fact that Mr Reagan was too much of a consensus politician to push aggressively for radical changes in government policy, all contributed to the failure.

to the failure.

Assessing the implications of the \$200bn federal budget deficits for which he accepts partial responsibility, Mr

Stockman warns that "If we stockman warns that "If we stay the course we are now on, the decade will end with worse hyperinflation than the one with which it began."

Mr Stockman criticises Mr Reagan's refusal to raise taxes to help resolve the deficit issue, but says that when the President is ultimately faced with choice of increasing with choice of increasing taxes or rampant inflation he will chose the former. The scathing critiques of his former administration colleagues, including White House chief of staff Donald Regan and the advisers Mr Reagan brought with him from California, are already making headlines. Excerpts from his book, "The Triumph of Politics: Why the Reagan Revelution Failed" a mean in Revolution Failed " appear in the current issue of News-

week magazine.
President Reagan is described as "an incorrigible optimist ... whose knowledge is primarily impressionistic:

he registers anecdotes rather than concepts." Mr Stockman paints Mr Reagan as a man who "operated on the 'echo principle.' Whatever the President insisted on he would try to get."

Of the top Catifornian aides, Mr Michael Deaver, Mr Ed Meese and Mr Lyn Nofziger, he says: "They were siliterate when it came to the essential equation of policy." Only Mr Meese remains within the Administration,

Extremists urge Sikhs to take up arms

polls until the scheduled date

But Miss Bhutto warned that she would have to re-consider her campaign of peaceful processions and demonstrations if polls were

not announced by the start next month of the annual

SIKH extremists in the Indian state of Punjah made their first open call yesterday for an armed struggle for the formation of "Khalistan," an independent Sikh homeland.

The call was made at a supreme religious congregation inside the Golden Tertple, the sikhs' holiest shrine in Amritsar which has been under the extremists' control since January.

Although they are known to have heen fighting for an independent state, they have never in the formists activity has increased forcing the moderate of terrorists have been killed or deserted yesterday.

SIKH extremists in the Indian said so openly, nor have they captured in the past formight. However, the killing of innomic tents and the intensive security measures taken in the city. The streets militants continues.

Yesterday's congregation was attended by about 6,000 Sikhs considered a poor which is considered a poor attendance, particularly as it to step up action by the security forces. A tough new police of the winter crop. Usually, then they did yesterday.

Although they are known to have heen fighting for an independent state, they have never of terrorists have been killed or deserted yesterday.

Chile debt of £2.6bn rescheduled

CHILE'S COMMERCIAL bank creditors signed agreements on Friday rescheduling \$2.6bn (£1.7bn) of debt principal repayments falling due between the beginning of 1985 and the end of next year.

end or next year.

The accords cover four borrowers and more than half of the \$4.8bn (£3.2bn) which will be stretched out under the country's multi-year rescheduling agreement which has been under negotiation since and the country's multi-year resolution. ing agreement which has been under negotiation since early last year. Lenders of the remain-ing debt falling due over the three-year period are due to Sign over the next few weeks.
This will ensure that Chile continues to receive funds under loans totalling \$1.1hn

signed last November, including a pioneering. World Bank guarantee for part of the amount, in cover the country's financing needs for 1985 and 1986. Chile, like other large

debtors, is seeing its payments position improve with the sharp falls in interest rates and oil prices, and with some recovery in the prices of key export commodities such as copper. The domestic economy returned to growth in the second half of 1985.

said. Indicating a line of attack The terms of the reschedul-the Government might build up ing accord stretch out repay-

WILLIAM S. COOK

DCNY CORR

Argentina draws on

\$4.2bn loan By Peter Montagnon . ARGENTINA is this week to receive a further \$600m (£410m) from its commercial hank creditors, the third instal-

ment of a \$4.2bn (£2.8bn) credit arranged last year. Resumption of drawing on

the loan follows Argentina's recent agreement with the International Monetary Fund on targets for the final period of its existing economic adjust-

ment programme.
A statement issued by Citi-

A statement issued by Citibank over the weekend said an Argentine delegation was due to meet next week with its 11-bank committee of leading creditors, but it is not clear whether the talks will mark the start of discussions on a fresh financing arrangement for 1986. The Argentine Congress still has to pass this year's budget and the Government of President Raul Alfonsin still bas to fix a figure for the country's external financing requirements.

Still available to be drawn later is the final \$600m portion of last year's bank credit.

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from about May 20. In an interview three days after her return to Pakistan, she also accused President Zia, who executed her father in

BENAZIR BHUTTO'S cam1979, of setting up a "special town was still awake and she
paign to force the Pakistan commando cell" to assassinate
Government to hold immediate
elections was firmly rebuffed over the weekend by President
over the weekend by President
The Wilham and Mr. Michammad
here using in Labara was nare

Government ministers, backed by a wide body of public plants their members to beyout last Zia ul-Haq and Mr Mohammad heen using in Labore was part

Zia rebuffs Benazir's demand for elections

Junejo, the Prime Minister. of this, Both said there could be no Police Police rejected Miss Bbutto's claims about the intentions of the major who is believed to have been recommended for psychiatric care after he had been refused entry to the UK last month when he was carrying her photograph.

ing her photograph.

Meanwhile, Miss Bhutto is based on political parties before continulog to draw large crowds on her series of meet-we will have to rethink our Moslem festival of Ramadan crowds on her series of meet we will which will put a one-month ings across the northern strategy."

brake on political campaigning province of Punjab. She arrived Howeve at 3 am on Sunday instead of 3 o'clock the previous afternoon in the town of Gujranwala, 50 miles from Lahore, because of the crowds on the route. The

sdamant over the weekend that

demonstrations.

their members to boycott last year's elections because party opinion, believe, however, that her campaign could fade out unorganisation was not allowed would have to wait until then. it is stepped up violence or other President Zia, the main target Miss Bbutto will consider some form of escalation within a few weeks. "We want a date from Mr Junejo for elections of Miss Bhutto's attacks, also criticised the processions and meetings she is conducting as "time consuming and generating more heat than light." They were "not conducive to the

promotion of democracy,"

However, Mr Junejo was in the next few weeks.

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April, 1986

DELTA'S BUSINESS CLASS TO THE US.A. WIDE SEATS ARE LONG ON COMFORT.

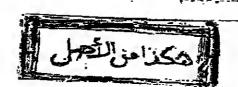
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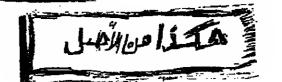
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Delta flies nonstop from Frankfurt to

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powerful nation.



Rebel **All Blacks** to tour S. Africa

day April 14 la

ile debt
£2.6bn

A TOTAL AND THE STATE OF THE ST

Grant Control of the control of the

NS & C0.

By Dai Hayward in Wellington SPECULATION about a rebel rughy tour of South Africa by New Zealand All Black players has been confirmed with the admission by Mr Colin Meads, former All Black and New Zealand selector, that he will coach 30 rebel players in a 12-match tour starting a week on

Mr Meads flew to South Africa at the weekend with former team mate and All Black captain, Mr Ian Kirkpatrick, who will manage the team.

Most of the big names in All Black rugby of last year are included in the squad. Some players have already left, others will so in the part few days. will go in the next few days.

Nigerian fire

Important documents were be-lieved detsroyed in a weekend fire at the headquarters of tha Nigerian National Petroleum Corporation Lagos newspapers said yesterday, AP reports from Nigeria. The fire occurred a day after auditors had visited the headquarters to examine examine

Zimbabwe sacking Zimbabwe's ruling Zann-PF party has dismissed Mr Herbert Ushewokunze Transport Minis Ushewokunze, Transport Minister, from its politburo after a heated public debate over tribal rivalries within the government. The party said Mr Ushewokunze would remain a member of the party but was dismissed from party but was dismissed from the 15-member polithuro and his post as party political commis-sar. There was no mention as to whether he would retain his ministerial portfolio.

Yugoslav debt talks

Representatives of Yugoslavia, 16 Western creditor govern-ments and Kuwait will start the first round of talks on the rescheduling of Yugoslav govern-ment debts in Geneva today, writes Aleksander Lebl. Talks will centre on the Yugoslav request for a multi-year re-scheduling agrement.

Turks probe begins A public inquiry is due to

begin this week in the Turks and Caicos Islands, a British Caribbean dependent territory, into the circumstances surrounding the arson of public buildings and allaged corrupin the administration,

Uneasy calm in Libya as foreigners decide to stay on

WHILE DIPLOMATIC moves including at least one dozen and military strategy sessions Americans, who have gathered dominate the news in Europe in Tripoli. A Western official and America, in Libya a self warned that circumstances there is little obvious sign of were unpredicable, and that a country on the brink of being attacked by the world's most quickly develop.

"The whole thing terrifies me," he said. The official noted that things were ominously quiet in the Libran capital. "If But beneath the surface of everyday life which is pro-ceeding more or less as normal, there is, among Libyan officials and members of the you look out there," he said, gesturing to his window looking out on Tripoli's handsome water front, "the traffic is normal. There are no road blocks, no somewhat beleaguered diplo-matic community, a foreboding. Reporters who have inter-viewed Col Muammar Gadaffi currew, no black-outs, and no hint of any increase of tension. in the past several days say that his mood has been grim and his statements less flam-If it was not for all these re-ports (of American military Ordinary Libyans appear bemused by developments. "If America attacks we will strike back." said a driver who had no clear idea of what form a counter-attack might take.

Foreign diplomats american

ports (of American initiary preparations) there is nothing in Tripoli to suggest anything is going on."

West Germany and Britain have warned their citizens here of the dangers. The Foreign Office has told Britons that "in a period of rising tension, the

JAMES ABRA (57), a British subject who was sentenced at the weekend to life imprisonment on charges of syping, is appealing against his sen-tence, reports Tony Walker. A British consulate official said that, under Libyan law,

appeal papers bad to be signed within 48 hours of

centencing. Mr Abra, an electronics engineer working for Plessey, the telecommunications company, was arrested on June 28. 1985 as be left the country. He appeared for five hearings before Libya's High Court. three of which were held in camera. Mr Abra was accused of gathering secret informa-tion about Libya's radar

In spite of the warning, however, it appears that few of the 5,000 or so British nationals in Libya, many of whom work in the oil industry, are prepared to leave well paying and, until

defences. He argued that he was preparing a report on behalf of his company which had secured a series of con-

tracts in Libya over the years. Under Libya's legal system his case will now go to the Appeal Conrt which will decide if there has been a misearriage of justice.

Two other Britons are serving jail terms in Libya. Michael King was appre-hended in 1984 while allegedly in possession of three grams of hashish and sentenced to five years' imprisonment, and Robert Maxwell, arrested in 1980 on a charge of industrial espionage, was sentenced to 12 years.

possibly unpredictable circumstances here was the sentencing at the week-end to life imprison-

and serving long jail sentences. Long-term residents note that on this occasion, unlike previous moments of tension between Libya and the US this year, there is little public demonstration of defiance bedemonstration of denance beyond statements issued by Col
Gadaffi himself. There have
been no well publicised rallies
against the US, nor has Labya's
leader engaged in dramatic
personal gestures like his decision in January to sail towards
the so-called "line of death"—
the disputed limit of territorial
waters in the Gulf of Sidra
claimed by Libya—to confront

claimed by Libya—to confront the US Sixth Fleet then con-ducting manoeuvres off the Libyan coast. Visitors to Libya are left in no doubt, however, of the regime's anti-Americanism. A banner reading "We are the natural and historical con-tradiction to America, as an amperialist (sic) " greets arrivals at Tripoli Airport. Posters depicting President Reagan as

age French nationals in Belrut.
Two senior French Foreign
Ministry officials visiting

Tehran have transferred to the

Iranian authorities a message

from President Mitterrand to Ayatollah Khomeini, the Iranian

leader, laying down France's desire for "normalisation" of relations between the two

French officials said yester-

day that Mr Jean-Bernard Raimand, the Foreign Minister,

might eventually visit the Iranian capital if necessary to

• MR CHIRAC warned Col

Gadaffi on Saturday that, if terrorism and irresponsibility"

exceeded certain limits, repri-sals would be necessary, writes

Peter Blackburn from Abidjan.

Gadaffi warned

climate

countries.

Tebran

convicted of crimes in Libya, prominently displayed to public, including in the hotel which is playing host to the big moneyed American televisioo networks and leading US newspapers and news magazines. One of the seeming contra-

dictions at the moment is the welcome extended to representatives of the American press between Tripoli and Washington. Libyan officials including Col Gadaffi have indicated they appreciate that the presence of a relatively large number of foreign nationals in Libya, including about 1,000 Americans, may restrain US action. This may be an explanation

for the Libyan leader's state-ment to American reporters that foreign nationals including Americans were being moved into military camps targeted by the US. Such a statement is beiog read here as a warning of possible unpleasant consequences for foreign residents to the event of American military action.

West Berlin plan to curb terrorism

THREE WESTERN allies in West Beriln announced "ex-ceptional and provisional measures" to prevent potential terrorists from entering the city from East Berlin or

East Germany. The British, US and French commandants in West Berlin said on Saturday that measures had been agreed which would not violate the city's open border status.

They had conferred con-tinnally since the bomb attack on a West Berlin discoteque on April S. The US had called for joint allied measures to har Libyan diplomats in East Berlin, whom it claimed were involved in the attack, from entering West Borlin entering West Berlin.

The allied statement said the allied statement said the West Berlin anthorities were asked to "remove from the Western sectors" persons posing a threat to the population. On allied orders, the West Berlin police had already been controlling Libyan diplomats entering West Berlin from the East and following their cars in and following their cars in the city. They were not evicted from West Berlin, however, as the Americans

US hopes rise for navy visit to China

By Robert Thomson in Peking

THE sensitive issue of a port call in China by US warships bas resurfaced in the wake of comments by a senior US naval officer than agreement on a visit by British warships to Shanghai is a "bopeful sign" for 2n American call.

A US warship visit, the first since Communist rule began to 1949, was scheduled for last May but ran aground after the Chinese said they had a guarantee that the vessel would not carry nuclear weapons, while US officials maintained that they never give such guarantees.

Two British warships are expected to visit in July, and diplomats suspect that the Chinese will simply presume that the Royal Navy vessels will not be carrying nuclear arms, without asking for verification.

Admiral James Watkins, the US Chief of Naval Operations, who is on a nine-day visit to China, said at the week-end that the British agreement gave reason for the US to be hopeful. though he admitted that the matter has not yet been raised during his tour. "I would consider it essential to have such a visit, and look forward to it when it is appropriate," be to li a press conference.

faltered Sino-US relations last year after the Communist party leader Hu Yaobang said that the planned US navy call would be "an informal visit" by a "conventional warship."

During a visit here just over a week ago, Mr Norman Lamont, the British Minister of State for Defence Procurement said that the Colinese "under-stand our position, we under-stand their position" and the Royal Navy visit is "going

US officials see a port call as a significant symbol of its growing military relationship with China, a relationship which Peking is careful in handling, as it repeatedly says that it has an "independent" foreign policy and likes to keep the two superpowers at arm's length.

However, US sales of military equipment to China are expanding. The Reagan Admin-istration formally informed Congress last week of plans to sell 3550m in equipment to refurbish Chinese F-8 fighters.

counter-attack might take, Foreign diplomats appear less sanguine about the crisis in the Mediterranean than the Mediterranean than the large foreign press corps less sanguine about the crisis in the Mediterranean than the ment of a British businessman accused of spying. This takes to three the number of Britons large foreign press corps Europeans take cautious view of US military action

THE ITALIAN Government THE ITALIAN Government expressed alarm at the weekend that a military conflict between tha US and Libya could spread to its shores, writes Alan Friedman in Milan. The Halians, who requested today's emergency meeting of EEC foreign ministers, will, however, ask the European Community to "isolate" Colonel Musmmar

mr vernon Walters, the Reagan emissary, and who conferred by telephone with Mr Felipe Gonzalez, his Spanish counter-part, believed it would be illogical for the US to launch a military attack against Libya before consulting its European

The Italians are concerned that Col Gadaffi, the Libyan leader, could make good on his threats to retaliate against US and Nato bases in southern Europe in the event of the US

The Nato base at Sigonella in Sicily appeared to be in a state of alert at the weekend, with a flurry of military move-ments and heightened security measures against the prospect of a terrorist attack on US military personnel. Italy is expected to repeat

to Mr Walters its view that Nato bases in Italy should not be used for any US assault on Libya. Mr Walters is likely to be advised against a military solution to the Libyan issue, although it is thought possible that Italy might consider limited economic sanctions

ministers, will, however, ask limited economic sanctions tha European Community to "isolate" Colonel Muammar Italian Foreign Minister who Gadaffi, according to the office of Prime Minister Bettino Craxi.

Mr Guillo Andreotti, the Italian Foreign Minister who has traditionally had warm ties with Libya, stressed at the weekend that "the battle against terrorism is a fundational terrorism is a fundational terrorism in the against ter mental element of our foreign policy." Mr Andreotti added that "if we work toward a peaceful solution of the pending problems it is not because of opportunism or fear. It is of opportunism or fear. It is out of a sense of responsibility, above all for the 10,000 Italian technicians and workers who liva on the other side of the

Attack resisted

THE WEST GERMAN Government is likely to try this week to head off any plans, should they exist, for a US attack oo Libyan targets, reports Peter Bruce from Bonn. Mr Hans Dietrich Genscher,

returning on Wednesday.

Both Mr Genscher and West German Chancellor Helmut Kohl were briefed yesterday on Washington's suspicions and intentions during a visit to Mr Kohl's bome by Mr Walters.

Although Mr Walters' presence in Europe has increased fears that Washington was planning a strike against Libyan targets very soon, officials in Bonn yesterday suggested that this danger had now receded

No details of his talks in West Germany were made public but it was thought unlikely that the US would take unilateral action against Tripoli while be remains in Europe, and observers also suggested that Washington was anxious not to risk upsetting Bonn before the planned European trip later this month by Mr Ed Meese, the US Attorney General. The Meese visit would be aimed at agreeing concrete easures to combat terrorism. Although Mr Genscher's trip

to Washington had been planned for some time, his talks are likely to be dominated by Wash-ington's threats against Tripoli.

most observers believe it was an attempt to placate the US. Bonn even remains opposed to the use of economic sanctions against Libya, its third largest oil supplier

Common line sought FRENCH PRESIDENT Francois Mitterrand, after initial besita-

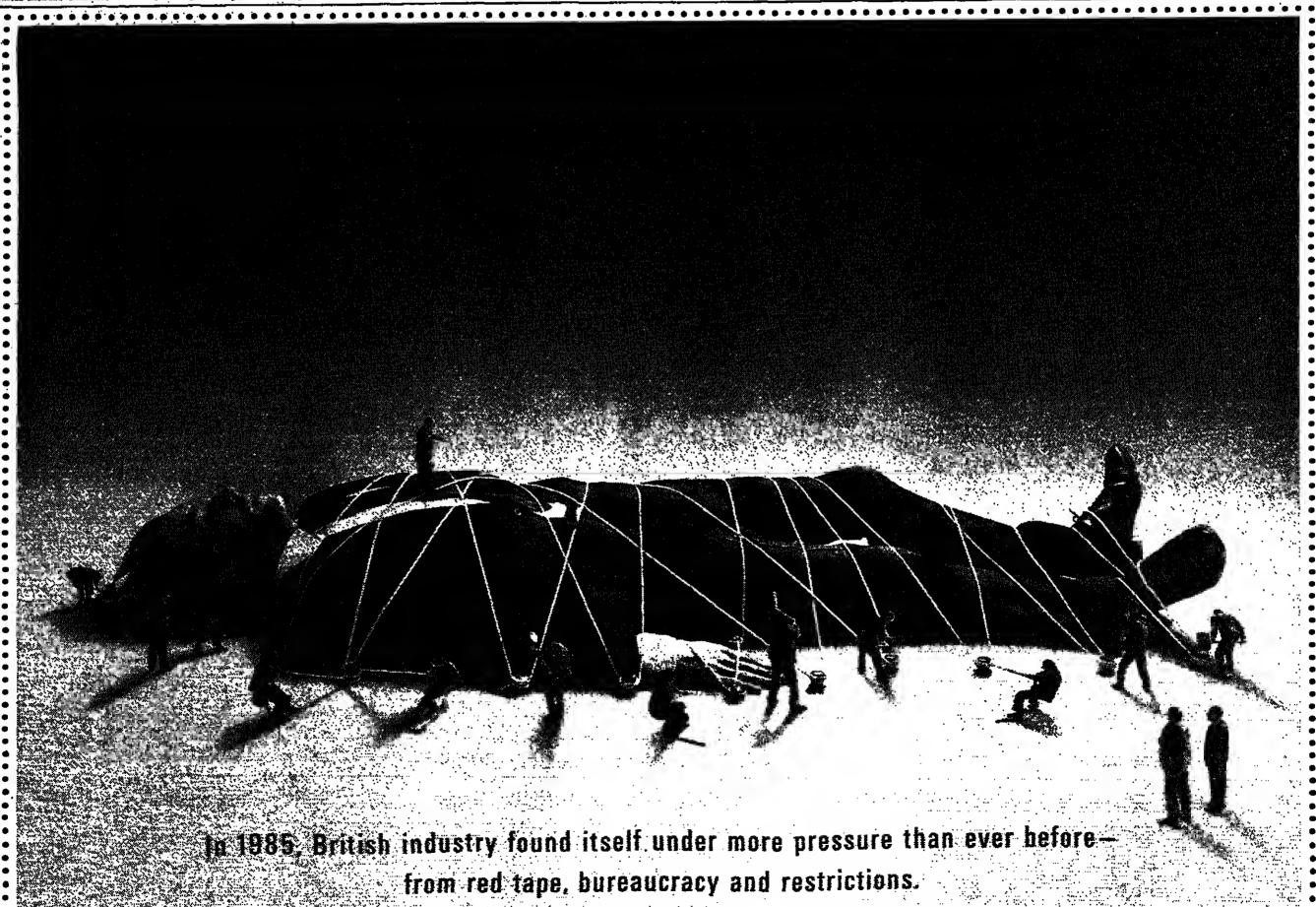
tions, now appears to have agreed that terrorism should be on the agenda of the sevennation industrialised country summit in Tokyo next month, David Marsh reports from Paris. French willingness to work out a common line with the US over state-sponsored terroris has been increased by growing evidence of Libyan involvement in terrorist groups in France. But France will be very wary But France will be very wary about becoming directly associated with any direct US military reprisals against Tripoli.

Mr Walters, who arrived in Paris yesterday, was likely to see Mr Mitterrand after initial discussions with Mr Jaques Chirac, the new French Prime Minister, whose right-wing Mr Chirac was visiting the Ivory Coast, However, Mr Chirac held back from openly supporting possible US military Minister, whose right-wing Government has made law and

order one of its priorities.

The arrival of the US envoy





UK laundry group opens door to Poland

director of the Polish branch in Warsaw opened in 1981, licence British-based laundry equipand economically, and the office ment and engineering group, bad just four employees. has just returned to Warsaw with the hopes of several British companies in his briefcase. Some of these companies —including one large electronics group—have been trying to sell into Poland for years. Polymark, with Mr Zbikowski at the deim, has succeeded in opening the door to Poland for many companies—British, Dan-ish and American, Initially these were in similar activities to Polymark's own, but increas-ingly Polymark has been acting as agent and distributor for companies in unrelated sectors.

said at the weekend, Reuter reports from Havana.

ZBIKOWSKI, contract—by the time its office a of Polymark International, Poland had collapsed politically

> Today, it employs 82 Polisb nationals and is the biggest of 122 EEC companies operating in the country. It expects to gain £1.25m sales this year, on which it will make a respectable profit remitted in hard currency, and zims confidently to boost that figure to between f5m and f10m in the next five

How has Polymark succeeded? First, it stuck it out in 1981 the components and spares for allhough the initial instinct, hard currency to the official says Mr Mervyn Davies, manag-

of negotiations.

Mr Rodriguez told the state-

tally increase Soviet aid to the island over the next five years. the official Cuban daily Granma said at the machine island over the next five years.

ill own company, but also from

Gradually, Polymark's representation extended outside the mark represents. laundry business, and its War-saw office now acts as selling and servicing agents for com-panies such as Carrier, Honey-well, Prestcold, Spirax Sarco in the UK, Herion in the US, Karcher and Klöckner-Moller in Gerryny, and FAG, Danfoss and

Polymark's Polish branch sells as agent and distributor for companies in unrelated sectors.

Polymark went to Poland seven years ago to negotlate a contract to sell laundry systems to the Polish mining sindustry. It did not get the seven years ago to negotlate from the outset granted from the outset granted for the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to obtain the prices they dust the currency to the official includes not only selling wooden cles are very expensive. This is confined to the prices they dust the currency to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden cles are very expensive. This is confined to the official includes not only selling wooden confined to the official includes not only selling wooden confined to the official includes not only selling wooden confined to the official includes not only selling wooden confined to the official includes not only selling to confined

CUBA AND the Soviet Union have signed a series of trade agreements which will substantially increase Soviet aid to the with responsibility for foreign in Soviet Cuba between 1986 and 1990.

Granma said the agreements were crucial since Cuba faces provide for Soviet aid in several a severe sbortage of bard curaries of the economy including the credit to Cuba between 1986 and 1990.

Granma said the agreements were crucial since Cuba faces provide for Soviet aid in several areas of the economy including the credit to Cuba over ing electricity generation.

the last five-year period. The Soviet Union accounts for

This meant that it could import not only spare parts from salesmen, are paid in zloty. The salesmen, are paid in zloty. The engineers, all of whom speak English or German, are trained by the companies which Poly-

> Polymark has not had to en-gage in hartering, although Mr Davies says be is being warned constantly by the Polisb anthorities that he should prepare for such an eventuality.
>
> His sensitivity to Poland's needs suggest he knows the "offset." For example. value of he is building up an export business for the branch, which

petroleum, machinery construc-tion, the alectrical, chemical, metallurgical and pharma-ceutical industries, sugar,

includes not only selling wooden

But how does a company go about getting a foothold? A Polisb national who understands Western business is essential, says Mr Davies. He advises against the route frequently favoured by companies wanting to export to the eastern bloc. which is to use agencies based in Vienna, because such agen-cies are very expensive. This is reflected in the prices they quote in Poland which can be

slump in world oil prices.
The Soviet Union buys most

Soviet Union increases aid for Cuba in five-year deals

precious representational in bard currency.

Local costs, including the tunities will follow. Polymark's big breakthrough came three years ago with a contract from years ago with a contract from Orbis, the state tourist authority, to service all electrical and mechanical equipment, other than lifts, in 30 first-class hotels.

biggest gambling casinn in Sydney for an estimated A\$600m (\$420m), Reuter reports from Sydney. Australia's Hooker Corporation and Harrab, the US gaming organisation promised to build "the most exciting casino in the world." However, a representative for the venture refused in give details of plans to build Sydney's first legal casino, at Darling Harbour,
Four other bids have
already been lodged in the
tender, which closes on April

> The New South Wales government has stipulated government has stipulated that the proposed casino should have at least 500 rooms, 300 gambling tables and 1,500 video games.
>
> The state, which wants the casino to open by 1938, is expected to amounce the successful bidder by the end of lune. of June.

Australian

casino plan

attracts bid

of A\$600m

AN AUSTRALIAN-American

joint venture has announced

a bid to build the world's

Volvo in Belgian deal Vnivo of Sweden has won a or sweden has won a BFr 3.5bn (£50.7m) contract to supply the Belgian armed forces with 1,228 Volvo N-10 heavy vehicles, Reuter re-

Turkish textiles industry and EEC agree quotas deal

imports could ease the way for determined on a Community-tions between the FFC wide basis. Ankara.

The agreement on 12 categories of textile imports followed an earlier set of successful negotiations last December and was reached with Turkish officials present.

Mr Willy de Clercq, the EEC External Relations Commissioner, said he hoped that the agreement would enable the two sides to avoid future difficul-ties in their relationship over the sensitive textiles issue and that it would receive tha full backing of the Turkish Govern-

Relations between the EEC and Turkey have been effec-tively frozen because of Turkey's human rights record under its former military government, but last month the Commission proposed a series of measures which could lead to a gradual thaw.

AN agreement reached on year Under it, import levels of Friday between the European T-shirts, pullovers, trousers, blouses, shirts, bedlinen and

underwear, dresses, table linen and tracksuits have been agreed on a regional level. They take account of the import penetration achieved by Turkey and allow a reasonable level of growth in Turkey's exports to the Community, the Commission

The new arrangements complete the agreement negotiated in December, which covered imports of cotton yarn, cotton cloth, towelling, acrylic fibres and velvat, for the year 1986 to

The most difficult issue facing EEC negotiators, who are to meet Turkish officials later in the year for talks on the country's Association Agree-ment, involves the free movement of immigrant workers.
Under Turkey's Agreement,
free movement is supposed to
come into force on December 1,

Turkey is the EEC's largest position will be difficult to supplier of textiles. Friday's reach. More than 1.5m of the supplier of textiles. Friday's reach. More than 1.5m of the agreement, which covers 1986 to 1.9m Turkish workers in the 1988, follows a series of EEC are based in West acrimonious negotiations last Germany.

two-tbirds of Cuba's external metallurgical and pharmatrade and provides the country with a massive flow of economic armsport and agriculture, aid, estimated by Western The latest economic agreepbarma- of Cuba's sugar outputs as sugar, preferential prices and supplies re. the country with oil, including agree- a margin which is re-exported reports from Havana. The four trade and economic Cooperation agreements were signed in Havana by Mr Ivan (£2.06bn) of new Soviet credits respect to the state of two-toirds of Cuoa's external including the country ceutical industries, sugar, preferential prices trade and provides the country ceutical industries, sugar, preferential prices trade and provides the country ceutical industries, sugar, preferential prices trade and provides the country with a massive flow of economic transport and agriculture. The four trade and economic vide for 2.5bn roubles aid, estimated by Western The latest economic agree— a margin which is signed in Havana by Mr Ivan (£2.06bn) of new Soviet credits diplomats at about Slbn a year. ports from Brussels. 64,267 reasons to consider export insurance.



EXPORT CREDITS GUARANTEE DÉPARTMENT HEZO CITICE: LONDON EC2 01-362 7777

In 1984, Britain's partners in the European Community suffered 64,267 bankruptcies, an increase of 36% since 1982.

This figure in itself is reason enough to take out export insurance, particularly since these countries represent the UK's biggest export market.

The world recession has affected even these 'safe' markets, drastically increasing an exporter's chances of running up against serious financial problems.

This volatile business climate makes it

difficult for the exporter to predict when or if a problem will arise.

It does not, however, stop him from protecting himself against the serious financial damage of not being paid.

Once you've considered the facts, you surely can't help but consider ECGD's export insurance schemes.

For a new policy-holder with an annual export turnover of £5m, with most buyers based in markets like North America and Western Europe, a typical premium for comprehensive short-term credit insurance could be £33,000 or less.



UK clothes trade deficit blamed on export failings

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

textiles and clothing is due to according to the colony. its inability to export, especially to other EEC countries, about to be presented by the Hong Kong Government.

Hong Kong Government.

Hong Kong whose share of the UK market in these products has fallen to under 10 per cent from an aversge of 18 per cent over the years 1974-77; maintains that the cuts forced on it by the Multi-fibre Arrangement (MFA), have not benefited othier low-cost producers; "Hong Kong's lost share has been taken by EEC suppliers," it says.

The MFA, introduced in 1974, is the world accord that regulates a large part of trade in textiles and clothing. If ends this July and its extension is the subject of detailed talks.

The provisions of the MFA, especially in 1978 and 1983, which squeezed Hong Kong's access to the UK, are based on the false premise that growth

BRITAIN'S trade deficit on of demand would be low, As a first step towards liberalising the MFA the UK should consider restoring the rather than to any surge of should consider restoring the imports, according to a report cut-backs enforced in those years and reverting to the original aims of the MFA which envisaged considerable growth from the low-cost producers into Europe.
The UK can afford a more

liberal textile regime and might benefit from it, according to the colony. Hong Kong itself offers a new

market for UK exports, worth almost £1bn last year, and the UK should take advantage of The textile and clothing industry is not, however, taking advantage of higher productiv-

ity, rising production, increased consumer demand and better profitability, says the report. Exports continue to lag well behind imports with the level of exports barely more than half the import level, even in

Egypt development bank arranges credit lines

BY TONY WALKER IN CAIRO

THE EXPORT Development Bank of Egypt (EDBE), has opened credit lines with several foreign banks. It signed facilities for FFr 75m (£6.9m) with Credit Commerciale de France and FFr 50m with Credit Internationale et Commerciale. Both deals are backed by Copace, the French export credit insurance agency.

Services from France and West Germany. The bank, which is advised by Samuel Montagu merchant bank of the UK, was enablished last year, at the urging of the World Bank, to encourage Egyptian exports.

Meanwhile, UGI, part of the Hanson Trust of the UK, has won a £3.2m contract to supply agency.

Meanwhile, UGI, part of the Hanson Trust of the UK, has won a £3.2m contract to supply 150,000 gas meters to be in-The EDBE has also npened stalled in Cairo. The contract a credit line with Berliner was awarded by Egypt's Natural Bank for DM 20m (f5.8m). Gas Projects company under an ECGD-backed line of credit arranged between Midland Bank and the local Misr International Bank. The meters will be delivered over two years.

SHIPPING REPORT

Interest rates brighten outlook for shipowners BY ANDREW FISHER, SHIPPING CORRESPONDENT

their decline last week. Ship-brokers saw few signs of any immediate upturn, although the drop in fuel prices should help shipowners' finances and eventually boost trade.

Lower interest rates are also a help to many hard-pressed shipping companies. Orient Overseas (Holdings)
Ltd.; the container side of the financially troubled C. H. Tung group, reckons it should save up to \$10m (£6.9m) a year with lower bunker costs and interest charges.

This will obviously help the cash flow of the company whose banks are struggling to work

Tung companies exceed \$2bn. Tung companies exceed \$20n.
Once nil prices stabilise,
demand for tankers is expected
to increase now that a larga
member of surplus tankers bave
been scrapped. But last week
saw no end to the market's Galbraith's,

Galbraith's, the London broker, said little business had been npenly quoted for VLCCs (very large crude carriers of over 200,000 deadwelght tons). One 295,000 dwt ship, however, was reported to have been fixed from Iran's Sirri Island to the West at a low Worldscale 22.

The dry carro market

The dry cargo market remained poor. Denholm Coates said: "Gnod news is in short supply and nn immediate deveout a restructuring programme, supply and nn immediate develexis of which could emerge lopments are anticipated that quoted COHL and the private ward tendency."

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Ve're behind them all.

Hanson Trust makes £1.9bn takeover bid for Imperial Group

HANSON TRUST, the fast-game. ing industrial building company beauted by Lord Hanson, has night-launched a El-ba takeouer bid for Imperial Group, the brewing, tobaccu and food concern

Imperial's agreed \$1.25m bid for United Biscous committed on Monday with a housile \$1.36bn bid GEC the of-

Dixons launches record £1.6 bn takeover battle for Woolworth

the Westworth chain began ver

day when Div

The terms of the offer are new Dixons' shares and 16 Dixo A fierce buttle for control of convertible preference shares f.

(FINANCIAL TIMES)

GEC ready to move

on Plessey

BY IAN RODGER

THE GENERAL Electric Company could launch, its £1.16bn reover bid for Plessey as early

iems currently confronting no telecommunications indeed the entire electronics. United the Kingdom, he said.

"We believe your view of the prospects of achieving significan profitable growth in the ve as expressed in ahead,

Monopolies inquiry could scupper £1.3 billion ...

Imperial and United agree to merge

By Andrew Cornelius

Imperial Group and United Biscuits yesterday announced details of an agreed merger. The deal, which was signalled by the companies last week, will



Guinness plans

agreed merger

with Distillers

BY DAVID GOODHART AND MARK MEREDITH

A RECORD British takeover bid the Guinness-D was unveiled yesterday when had desgroot Guinness ended several days of ment (FIXANCIAL TINES)

l extends offer

for Distillers

By Charles Batchelor

Argyff Group, the super-market concern which is bidding Il. Sha for Distillers, the Scotch whisky group, yesterday extended is offer for a further

its pension fund, took its holding in Distillers to 14.45m shares, or 3.98 per cent of the equity.

Now Rank goes for

Granada A £775 MILLION MOVE BY AMBITIOUS BERNSTE

failed to make any real progress with this offer. This is no doubt due in part to its complete in-

(FINANCIAL TIMES)

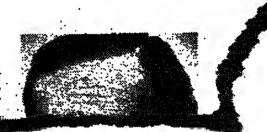
Coats opts for £690m Vantona counter-offer

VANTONA VIYELLA yesterday leanched a \$689.50 seriest connected for \$500.000 which you Mr David Alliance, manag director of Vanton

by David Ireland

BACK in the City's good books and fresh from catching analysts papoing with record profits, tank Organisation has munched an ambitious near £775 million bid for

comes less than a month after Granada called off merger talks with Ladbroke. Grands shares impr 66p to 806p on the bid and market-toen thought the news made



(LONDON STANDARD)

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IN THE WORLD.

UK NEWS

Hazel Duffy examines the rising cost of professional indemnity insurance

Risky business for professiona

DON'T SUE ME, I haven't got says that to stay in this market so scared the profession

That is the notice which is reputed to hang in some doctors' consulting rooms in the US where insurance claims and settlements have been escalating fiercely - to the detriment of the providers of professional services and insurers alike.

Law practice in the UK differs in two key respects. Class action, whereby groups sue in concert, is much less common, and lawyers' fees are not related to the financial success of the action which they

But the number of claims and setheightened consumerism is one of the most important. The trend is hitting the professionals where it hurts most - in their pockets.

Insurance premiums are being raised substantially. Some professional firms are finding it difficult to get cover. The Guardian Royal tional accountancy firms. However, the group will continue to provide cover for another three years where

would mean raising premiums tenfold.

The accountants, although not necessarily the worst-hit profession, have an added worry. Auditors of companies in the financial services sector have been warned by brokers that they are facing a new element of risk arising from legislation.

The Government is broadly sympathetic to the problem, although it is anxious that this factor should not be mixed up in the general concern over professional indemnity insurance premiums. Its response tlements against some professions could be a ministerial statement at in Britain is sharply increasing, the report stage of the Financial There are several reasons of which

Services Bill later this month, on the role and responsibilities of

The Institute of Chartered Accountants and the Association of Certified Accountants have both asked the Government to consider statutory capping of the amount for which they can be sued, particular-Exchange announced recently it by in the light of their fear that would be withdrawing from insurance against negligence for internaments emanating from the US and Australia could come to the UK.

The UK Government's own case against the auditors of De Lorean

ages totalling A\$145m (£72.5m) against an audit firm for not qualiinto the partners are to be held person notifiable claims.

pens in other countries. Many of wanting a large number of unsetthe big accountancy firms are inter-tied claims pending, will sometimes national, and insurance cover is make settlements which the ac-placed around the world. countant partners judge would not Asida from auditing, the expan-

new areas of activity giving advice on financial services also brings added risks for the unwary. Statistics are hard to come by, but a survey carried out on data provided by Bowring, which runs tants' scheme, shows that charges

percentage of all charges actually fell between 1972 and 1982 - although this remains the highest risk area measured in money

against auditors for negligence as a

The case which is perhaps most worrying is the award by the Supreme Court in Australia of damages totalling A\$145m (£72.5m) firms registering claims from 35 of against a milk E-14.5m 850 surveyed in 1964 to 562 of 3,000 fying its report on the accounts of a surveyed in 1983. The indications finance company which later went are that this trend has continued, liquidation. The award and that a firm has a probability of swamped the firm's insurance and one in five of facing one or more

Many claims do not result in set-Britain is affected by what hap tlements. But underwriters, not countant partners judge would not succeed. And for the firm, once a sion by accountants in Britain into claim is made, provision for settle ment has also to be made.

> The ICA/Bowring scheme is mostly taken up by smaller firms, and the certified accountants run a similar scheme with Tozer Phillips. Professional indemnity insurance in both wings of the profession is voluntary - for solicitors, for example, it is mandatory - but the insti-tute plans this year to seek mem-bers' approval for a proposal which would make maintenance of insurance a condition for renewing members' certificates of practi

vice, conversely, jumped from 6 per

Unionists' firm line dashes talks hopes

BY HUGH CARNEGY

LEADERS of Northern Ireland's on the possibility of resuming talks two main Unionist parties bave no which broke down in February. intention of softening their demand Mr Robinson, MP for East Belthat the Anglo-Irish agreement - fast, said in an interview on Irish which gives Dublin a say in the af- radio that any talks beld without fairs of the province - must be sus-pended before they can enter talks could not produce "any package with Mrs Margaret Thatcher, that would be sellable in the

Prime Minister.

This was made clear yesterday by Mr Peter Robinson, deputy leader of the Democratic Unionist Party and replacement of the agreement.

Mrs Thatcher is expected this week to reiterate the Government's implementing the accord, implying a slowdown in the work of the Anglo-Irish conference, but to reject suspension, leaving little prospect of an early break in the present vio-

lent deadlock in the province. Her response will be in the form of a letter to Mr James Molyneaux of the Official Unionist Party (OUP) and the Rev Ian Paisley, leader of the DUP, the latest in an exchange ous climbdown.

He said, constitutional opposition to the accord was not exhausted.

week to reiterate the Government's

One of the difficulties facing both
willingness to act "sensitively" in
London and Dublin is that any concession to the Unionists would be regarded with alarm by Nationalists, the main beneficiaries of the

> Mr John Hume, leader of the Social Democratic and Labour Party, the main nationalist party in the north, said yesterday that he could not approve suspension of the accord. Such a move would be a seri-

Labour plans new move on Militant

BY MARGARET VAN HATTEM

nerable to legal challenge.

Earlier attempts to hear charges against 12 Liverpool based supporters of the Tendency were aborted when seven left-wing members walked out, depriving the meeting of a quorum. The NEC hopes, on Friday, to change its standing or-ders relating to quorums, so that in the current affair, only nine of its 12 members would need to be present. Members are confident that the NEC is legally compared

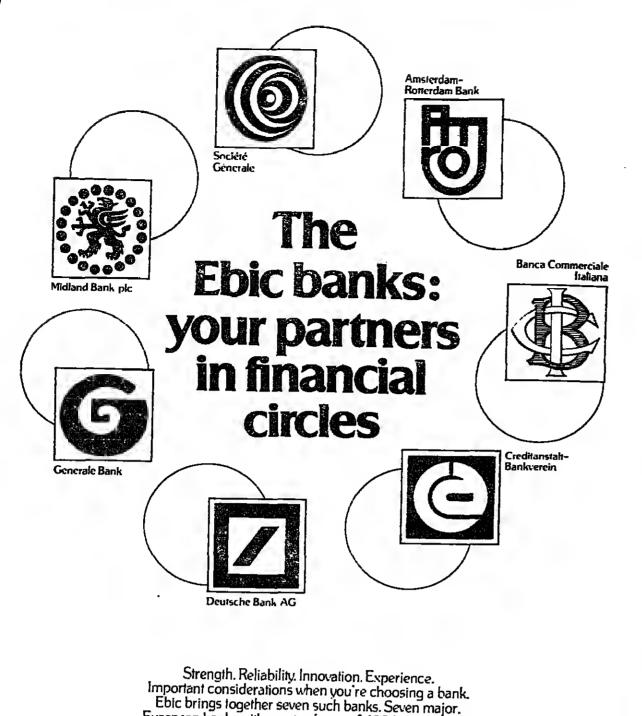
NEC is legally empowered to change its own standing orders as the majority on it sees fit and that the said: "We have satisfactory events the said: "We have said: "We have said: "We have said: "We have said:

LABOUR'S national executive com- The hearings are expected to lear mittee (NEC), which meets next to a number of expulsions, includ-friday to change its rules to enable ing those of Mr Derek Hatton, deit to act against Militant Tendency, puty leader of the Liverpool City the Marxist group, without the cooperation of left-wing members, is man of the Liverpool District Party, confident the move will not be vuland Mr Terry Harrison, his deputy. A number of NEC members con-

sider action against these three to be essential if the action against the Militants is to have any credibility. Militant has been accused by Labour of acting as a party within a party and, therefore, in violation of

the Labour Party's constitution. At a meeting of the NEC earlier this year Mr Neil Kinnock, the Labour leader, made clear that Milit-

any threats of legal action by the idence of people's membership of Militants should not impede the an unconstitutional organisation. NEC's ability to continue almost immediately with the disciplinary tion to put them out. That is ou



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Channel Tunnel Group plans £600m share offer

day April 14 14

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7 - 1 CO

SHARES WORTH about £600m in the Channel Tunnel project could be offered for sale to the public in Britain and France about the mid-

about £5bn to be underwritten by a consortium of 37 international banks. It will pave the way for the signing of a more detailed loan agreement at the beginning of next

CTG will pay a commitment fee of % per cent per annum to the banks, when the loan memorandum is signed in the middle of May. At the same time CTG's British and French shareholders will invest struction agreements is crucial if £50m to provide initial working capther to provide ini

CTG is planning a share placing summer traffic. in June to raise £150m. These will The seven-year be placed with a wide spread of British and French institutions. The Britain and Frence about the middie of next year, according to the
Channel Tunnel Group (CTG). The
group plans to sign a series of key
agreements next month, including
a loan memorandum.

The memorandum will establish
terms for a development loan of

British and French mstumons. The
issue is to be handled by Morgan
the barreholders in CTG are forming a
shareholders in CTG are

France.
A much larger £850m international share issue is planned for around the middle of next year. Of this, 20 per cent will be placed with institu-Britain and France.

The timing of financing and conthe twin-bore rail tunnel is to be completed in time to open for 1993

the twin-bore rail tunnel is to be stock for the rail shuttle.

The seven-year contract to design and build the cross-Channel link will also be signed next month. The

£934m to build terminals at either end of the tunnel and to provide fixed equipment such as railway track and electronic signalling per cent will be placed with institu-tions in Japan and the US. The re-mainder will be sold in Europe, with a very large proportion being made available for general offer in costs arising from failure to meet deadlines are shared between contractor and client.

British Shipbuilders presses price claim against Japanese

BY ANDREW FISHER, SHIPPING CORRESPONDENT

nas decided to go ahead with its carry irradiated indicator inter-EEC anti-dumping case against n

Japan to the UK and France.

BS, desperately seeking new orclaims won a recent order through
unfair pricing.

BS, desperately seeking new orders with its merchant yards now
left with only about nine months

unfair pricing.

State-owned BS said the £300- work, has put its arguments informally to £EC officials and is now mally to £EC officials and is now the first three formal case to put benese and European prices for a waste nuclear fuel carrier could not be explained by varying material and labour costs. A French yard was also in the bidding. British Nuclear Fuels (BNFL) or

Heavy Industries, because the Jap-anese company made the lowest

BRITISH SHIPBUILDERS (BS) bid. The ship, Pacific Pintail, will vessels for BNFL The new ship has decided to go shead with its carry irradiated nuclear fuel from was ordered by Pacific Nuclear was ordered by Pacific Nuclear Transport of which BNFL is the majority shareholder. Japanese and French shareholders own the re-maining equity. British and French prices for the ship were about

Mitsubishi, which will build the vessel at its Kobe yard, said its bid had been a commercial one. While preparing a formal case to put be-While the Pacific Pintail order at around £10m is small in Japanese it has not built a waste fuel carrier before, it has converted a cargo ship terms – Japan is the world's largest British Nuclear Fuels (BNFL) or shipbuilding country - BS is keen dered the ship from Mitsubishi to enter the market for this type of for such a purpose for domestic use. Much of the equipment for the specialised ship. Pacific It has previously built four such rope. Pacific Pintail will come from Eu-

Saatchi plans £400m cash call

BY TERRY GARRETT

A £400m rights issue will be launched this morning by Sa-atchi and Sautchi, the UK-based international advertising agency, to fund its aggressive acquisition

The call on its shareholders will be a heavy one with seven new shares on ulier for every eight already held. The price will be a little nver 700p a share against Friday's London close of

The demanding issue will, however, be supported by an en-thusiastic profits forecast for the

year to September 30. Saatchi will be forecasting pre-tax profits in the region of 55 m against last year's £40.5m.

RIGHTS ISSUE TO FUND ADVERTISING AGENCY'S ACQUISITION PLANS

Recent stockbrokers' forecasts had centred on £55m for the cur-rent year though these would not include the benefits of the rights

Seatchi will not be making any specific statement about its acquisition intentions other than a broad indication of its ambition to pursue a policy that will make it global market leader in 10 business service sectors ranging from design to corporate

Under the guiding hands of the two Saatchi brothers, Charles and Maurice, the group has already demonstrated remarkable growth. In less than n decade it has risen from obscurity to be the largest agency in the UK and Europe and number four in the world. Acquisitions have feastrongly in

There has recently been some speculation that there would be a major acquisition nf a US advertising agency. More than half

group profits already arise in the

One Saatchi executive suggested yesterday, however, that a rights issue of this size would position Saatchi so that it could contemplate major takeovers as well as funding a steady stream of in-filling acquisitions for its last expanding network.

In the last 15 mnnths Saatchi has made seven major US acqui-sitions topped by February's £51m purchase of Dancer Fitzgerald Sample, ranked 16th in the world. This spending spree has cost Saatchi over £150m. Pay deals average 61/4% in quarter

By Hazel Duffy

PAY SETTLEMENTS in British manufacturing industry averaged 6% per cent in the first quarter of 1986, according to figures published today from the Confederation of British Industry's (CBI) Pay Data-

Provisional figures show the same level of increase as in the last quarter of 1985 (also provisional) and compare with average settle ment levels of 6% per cent in the first three quarters of 1985.

The relevance of the figures for the first quarter is that they include January settlements which, along with April, is the most important month for pay deals. They also provide the backdrop to the CBI's pay presentation exercise to members day which this year starts off with n meeting of top manufacturing com-The Malaysian Government intends to retain control of the com-

The idea behind the meeting, pany for the foreseeable future and which takes place next month, is that companies provide a feel for the way they see pay settlements shaping up in the next annual

round starting in the autumn. This will be fed into the presenta-Guthrie greater room for financial ton exercise with the aim of being manoeuvre. It has struggled over able to present a more polished efthe past four years to improve the fort to persuade employers that profitability of its diverse interesis they keep settlements in line with they keep settlements in line with productivity.

Databank figures for the first quarter covered 215 companies just over half the total number of sertlements normally expected in this period. Some 20 per cent of settlements since August 1 1985 have been in the 4th per cent to 5th per cent range, a third in the 5'- per cent to 6% per cent range, and another 20 per cent in the 6% per cent to 7½ per cent range.

Guthrie expected to be valued **Barclays Bank** 'losing accounts at £110m in London reflotation over S. Africa' BY CHARLES BATCHELOR By Nick Bunker

GUTHRIE Corporation, formerly FOUR OXFORD colleges and a one of the largest British plantation companies in Malaysia, will return to the London stock market in June number of national organisations have withdrawn accounts from Barclays Bank since a state of emer-gency was declared in South Africa last July, according to a report published today by an anti-apartheid pressure group.

The sixth annual Barclays Shadow Report, produced by End Loans to South Africa (Eltsa), claims that Barclays is "the largest single foreign investor in South Africa." It says that the Oxford colleges - Bal-liol, Corpus Christi, Exeter and St Catherine's - have announced during the last nine weeks that they are to pull out of Barclays.

Eltsa, whose board members include Mr Neil Kinnock, the Labour leader, also lists the charities Mind, Oxfam and Shelter, the London Borough of Greenwich, the British As-sociation of Social Workers and the Royal Town Planning Institute as accounted for £225m worth of turn-bodies which have taken accounts over in 1984. The largest part of the away from the bank.

pany which services and maintains aircraft for airlines, designs luxury changed aircraft interiors for wealthy indi viduals and governments, and sells new and secondhand aircraft.

an executive director of N. M. Roth-

schild, the merchant bank which or-

chestrated the share raid, was

brought in as managing director of

Guthrie to reorganise the group and

prepare it for an eventual re-listing

in a flotation expected to value the Guthrie also embraces Angus group at more than £110m. Guthrie is now a diversified in-Fire Armour, a company supplying extinguishers, hoses and fire tendustrial holding company. It made an estimated pre-tax profit of £14m on turnover of about £339m in 1985. ders and Duralay, a British manufacturer of carpet underlay.

Mr Jock Green-Armytage, then

company is Page Avjet, a US com- sional, however, and may be

The Malysian Government's investment agency, Permodelan Nasional, took control of Guthrie in September 1981 after a "dawn raid" on its shares that valued the entire company at 5282m. The Malaysians, who were pri-marily interested in Guthrie's ex-

tensive rubber estates, removed the

company's control in 1982, leaving Guthrie with an assortment of industrial interests. Guthrie makes the hulk of its sales in the US and Canada, which over in 1984. The largest part of the

on the London market. Guthrie is to return to the stock market by means of an offer for sale of about 35 per cent of its shares in a deal which would raise plantations from the London-based about \$35m and value the company

at company's existing capital at £100m. It also intends to raise at least £10m by the issue of new shares. These figures are still provi-

man and one non-executive director to the eight-member board. A re-listing in London will allow the Malaysian Government to put a value on its investment and give

will continue to nominate the chair-

25

flotation

but has had little spare cash for expansion, Mr Green-Armytage said. Profits have recovered from a low of £1.73m on turnover of £257m in 1982 to £11.4m profits on turnover of £359m in 1984. Last year's further profits rise to an estimated £14m was achieved despite a slight fall in turnover which resulted from the rise of sterling against many

Backgrnund, Page 28

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Political star-gazers set sights on May polls

THE NEXT key date for political pundits and star-gazers in Britain is Thursday, May 8. On that day the Conservative Party will carried only days after the sinking of the Argentine ship, General Belgrano, and the loss of the Argentine ship, General Belgrano, and the loss of the Argentine ship, General Belgrano, and the loss of the Argentine ship, General Belgrano, and the loss of the Argentine ship, General Belgrano, and the loss of the Argentine ship, General Belgrano, and the loss of the Argentine ship. most important local government elections in this Parliament take

These should give a much better indication of the national standing of political parties than last week's by-election at Fulham, in west

judge whether Labour elation at wresting the Fulham seat from the Tories, Conservative disappoint-ment and Alliance apprehension

ner and outer London boroughs, and for the Inner London Education Authority for the first time, in the nine Scottish upper-tier regional councils, in the 36 English metropolitan districts and in one third of the 296 English non-metropolitan or

About 5,300 seats will be up for election, contested by 16,000 candidates. The scale of the voting and its geographical spread should give tha major parties a clear idea of their strengths and weaknesses as the run-up to the next general elec-tion increases in tempo. This will take place at the latest in the spring

In addition, there is a strong possibility that the two outstanding by-elections at West Derbyshire and almost certainly face bad news in next month's local elections in Britain

Ryedale in North Yorkshire will also be beld on May 8. The Conservatives are on the defensive in both seats and tactically it would mean getting all the bad news over at

ward to the local elections with relish, partly because they are certain they will be on the winning side, and partly because of the vast im-provement in their organisation.

The county council elections a year ago and recent by elections culminating in the Fulham victory have shown that Labour campaign support is no longer derisory. The local elections are seen as an essential element in the build-up to the

One thing is certain: the Conservatives are going to do badly on May 8. This is not only because of the Government's mid-term unpopularity and poor standing in the opinion polls. They are defending, seats won in 1982 when Mrs Margaret Thatcher, Prime Minister, was riding high on the so-called

field when nationalistic fervour was

at its height.
The Faiklands conflict meant the Tories recovered from the deep un-popularity of 1981 to their heights of 1979 and beyond.

The results represented the largest mid-term victory for the party m government since the Second World War. The main area to watch is London, which with an electorate of more than 5m and with nearly 2,000 seats to be contested, covers 92

Also important are the 10 metro politan districts holding full elec-tions. They are Birmingham, Dud-ley, Gateshead, Kirklees, Manchesley. Gateshead, Kirklees, Manches-ter, North Tyneside, South Tyne-side, Salford, Sunderland and Wakefield. Of these, Dudley, won by the Conservatives four years ago, is the most likely to change

Few dramatic changes are likely the metropolitan districts only have a third of their councils up for eleclose control in Bradford, Bury and Sefton, however. There have been high rate (local property tax) increases averaging 13.5 per cent in England and Wales this year, but aching 30 per cent in areas such

Bell Group seeks big stake in satellite broadcasting service

BY RAYMOND SNODDY

Australian businessman, is seeking consortium.
a substantial stake in the British di Mr Holm rect broadcasting by satellite (DBS)

Mr Holmes à Court's Bell Group has reached agreement to take up to 45 per cent of National Broadto 45 per cent of National Broadcasting Service, a British company
set up to apply for the three-channel DBS franchise advertised by
the Independent Broadcasting Authority (IBA) earlier this month.

The company was set up by Mr
James Lee, former chief executive
of Goldcrest, the independent film

As part of the deal the Australian entrepreneur has agreed to under-write the satellite and development costs of the project, likely to be at least between £100m and £125m. The move by Mr Holmes à Court

is an indication of increasing commercial interest in creating a Brit-ish DBS service which would broadcast three new channels of televi-sion from a high-power satellite to ter on individual homes. Another contender for

chise is Direct Broadcasting Ltd (DBL) set up by Mr John Jackson, chairman of Celltech, the biotechnology company, and the Granada dependent Television Ne Group has also had preliminary provide the news service

MR Robert Holmes a Court, the talks on putting together a third

Mr Holmes à Court owns two television stations in Australia, has leased a channel on the Australian television satellite system, Aussat and owns a library of 2,500 hours of television programmes through ACC. It is believed that Bell has been looking for an expansion of its UK media interests for some time.

Mr Lee is looking for British investors to complete the share capital of National Broadcasting Service - now renamed NBS Television. Only EEC nationals can con-trol British DBS although the IBA says it has no objection to Mr Holmes a Court holding a minority

Mr Lee says he is already talking to British Aerospace about the pos channel with the emphasis on the youth market, a news and current affairs channel and a national educational channel to carry every thing from schools broadcasts to adult education and training pro

The company, it is believed, has already submitted a proposal to In-dependent Television News (ITN) to

Cabinet studies pay deal for Whitehall

PAYMENT of substantial compen- Treasury believes it has made sation to meet the extra costs in- breakthrough in this direction with don is one of the options being con-sidered by the Cabinet Office to make the Civil Service more cialists where they think necessary

The MPO (Management and Perfor personnel matters in the Civil Service, is concerned that the Civil-Service is finding it more difficult to recruit and keep people in certry. London, and the most prosper ous towns in the vicinity, are parti-

All civil servants working in inner London - with the exception of under-secretaries and higher – at present receive £1.365 a year in London weighting. The Council of Civil Service Unions is asking that this be raised to £1,787 as part of their overall pay claim this year, on which the Treasury is expected to come back with its revised offer

The MPO would also like local eers to be able to pay special ecruits, which would cease when

evere at the level of clerical officer, which is where the bulk of civil service work is done. While going for nigher London weighting, the mions do not like payments made on a discretionary basis. But the sion of the retention problem

olved in living and working in Lon- union agreement that departmental managers have discretion to pay al-- the scheme is now being

> Higher up the ladder, the prob-lem of retention is most apparent among "fast stream" principals, those who have come into the Civil Service as administration trainees. Although the number leaving is still very small, the trend is upwards and represents a loss of some of the best voting brains in the Civil Service.

> The Association of First Division Civil Servants, representing many civil servants on this grade, argues that considerations such as higher London weighting are not relevant pay to the private sector.

The Treasury's argument is that salaries which are current in parts of the private sector, but officials do

The MPO has yet to consult the discussed with ministers. The annu al report of the Civil Service Commission to be published later this

TUC wants overhaul of employment law

BY PHILIP BASSETT, LABOUR EDITOR

THE TRADES Union Congress Party about the future direction to (TUC) is calling for a complete overhaul of employment law, based on minors' immunities from legal action, in favour of a positive legal

The TUCs call is contained in a confidential policy document to be examined by its employment com-mittee on Wednesday. It marks a significant shift in TUC thinking on significant shift in TUC thinking on cies. The two sides are clearly keen the law, which has always been in for Labour not to go into the next favour of maintaining the present mities-based system.

It was signalled in advance by a fear that this could draw them into reekend speech by Mr Norman Willis, TUC general secretary, who about issue told the TUCs East Anglia regional council annual meeting in Newmarket that there was now a consensus sions, or the between the TUC and the Labour bour court.

ment law. The party and the unions are to present to their antumn coofer-

ences a joint statement on the issue under the general title "Industrial Mr Willis emphasised

speech that the statement would not set out in detail proposed poligeneral election with a specific platform of changes in the law. They lengthy and diverting arguments boundaries of lawful strikes, statutory trade union recognition provisions, or the possible role of



BCC announces that from 14th April 1986 its base rate is changed from $11\frac{1}{2}\%$ to 11% p.a.

BANK OF CREDIT AND COMMERCE INTERNATIONAL SOCIETE ANONYME LICENSED DEPOSIT TAKER 100 LEADENHALL STRELT, LONDON ECJA JAD

houses in the City.

In July, there won't be a dry eye in Westminster. But today, in the City of London, there's a marriage of a more commercial kind that's well worth your attention.

Kleinwort Benson is tying the knot with Grieveson Grant. The main purpose of the union, of course, is to take full advantage of market deregulation, which comes into full effect in October.

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was responsible for over a third of the £2.8 billion of equity new issues in the London market last year; far more than any other firm.

The 'other half', Grieveson Grant, is one of the City's top stockbrokers with a widely regarded domestic and international investment research capability. Most City institutions already deal with Grievesons.

Kleinwort Benson will still provide the Group's existing merchant banking activities

Grieveson Grant, under its new name Kleinwort Grieveson, will, as Members of the Stock Exchange, continue to provide stockbroking services to clients and will make markets in London in a broad range of UK stocks as soon as the

rules allow. It already does so in overseas equities, to complement activities in New York and Tokyo. Its close relation, Kleinwort

Charlesworth, operates as a gilt-edged market maker in London.

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have already been working together in Tokyo since May 1985).

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Michael Donne looks at Europe's most ambitious aircraft venture

Proving time for aero technology

THIS WEEK, one of the most signiaircraft yet built in the UK will be ceremonially towed out from its assembly hall at British Aerospace's Warton, Lancashire, factory in the presence of Mr George Younger, the Secretary for Defence.

Called simply EAP (Experimental Aircraft Programme), this sleek, powder-blue aircraft has cost the UK Government and aerospace industry jointly so far more than £100m, with smaller inputs of cash and work from the West German and Italian governments and indus-

Its significance is that it is a 'technology demonstrator' - not a prototype - designed to embody many of the most advanced ideas in production techniques, new materials, electronics and even new ways of flying, that will ultimately be used in a more ambitious and expensive programme, now being planned. This is the multinational, nultibillion pound European tactical fighter aircraft, called the Eurofighter, which is envisaged for the mid-1990s. Precise Eurofighter

costs are not yet revealed. There is only one EAP, but there will eventually be more than 800 Eurofighters. The EAP will fly around the end of May or early June, this year, and it will appear at the Farnborough Air Show in Sep-tember, rivalling the French-built Rafale, itself a forerunner of another new tactical fighter planned

The difference between the two is rolighter is a four-nation pro-that the Eurolighter will be an air-gramme. Ideas for some US and superiority aircraft while the Rafale derivative (not yet named) will be primarily a ground-attack

By the time of its first flight, the EAP will have already achieved much of what it was originally in-tended to do - prove that all of togies can be combined in one aircraft. During the three years or more of EAP's development, the UK aerospace industry has learned many of the skills it will need for work on the forthcoming Eurofight-

The EAP's flight programme will last at least three years, ontil the first prototypes of the Eurofighter emerge around 1990. This will involve further funding for the EAP, which is now under discussion between the UK industry and the Government. By the time the EAP goes to Farnborough, the way should be clear for it to fly exten-sively over the rest of this decade in support of the Eurofighter pro-

While this is going on, the preparatory work for the Eurofighter itself is being pushed ahead. The current "project definition" phase is nearly completed, and go-ahead for fullscale development from the four governments involved - UK, West Germany, Italy and Spain - is expected by about the end of this

As conceived at present, the Eu- Division at Warton.

French participation have so far come to nothing, and the further down the road of project definition the venture gets the less likely it is that other nations will get shares in it, although the door is not yet com-

aircraft, of between 9.5 and 10 tonnes. Some 800 aircraft are envisaged. The cost and work-sharing will be on the basis of the UK and

33 per cent each, Italy 21 per cent and Spain 13 per cent. This would imply that the UK and West Germany would take about 280 aircraft each, Italy about 160 and Spain around 100, but these

Work on setting up the manage-ment organisation for the Eurofighter is well advanced, based substantially on the experience of the Pa-navia group building the current Tornado UK-West German-Italian that organisation.

A company called Eurofighter has been set up by the airframe companies involved. (British Blohm, Aeritalia of Italy and Casa of Spain). Its managing director (designate) is Mr F. G. Willox, currently director of projects at the British Aerospace Military Aircraft

on the engine involving Rolls-Royce, Motoren und Turbinen Union, Fiat Aviazione and SENA of Spain. It will build the new engines for Eurolighter, based on the XG-40 experimental engine on which Rolls-Royce has been working for

Similarly, a multigovernmen structure to control the entire venture is being out together. It will op-erate rather like the Nato Military Aircraft Management Agency not yet settled. It is even possible that Namma could fulfil this role, as

have four assembly lines, one in each country, but with each indus-try building parts and equipment for all aircraft. The first equipment and component contracts will be awarded on the basis of competitive tenders, and at fixed prices, with

the first coming later this year. But the governments involved, as with Tornado, are expected to encourage companies in the four countries to get together to form consortia to hid for the contracts. · In both the EAP and the subsequent Eurofighter, the European aerospace industries are involved in their most ambitious venture ye far exceeding in cost and technolog-ical complexity the Tornado air-craft, for since the latter was first conceived in the late 1960s, technology has moved on substantially.

Lconomic slant

A Elm project to train teachers to

on teaching

spects of economics."

Top stores support trading on Sunday

By David Churchlii,

THE MAJORITY of Britain's 10 largest retail groups will eventually open for trade on a Sunday if the Government's Shops Bill becomes

This has become apparent over the past few days as a number of small retailers have made clear their opposition to Sunday trading. But among the largest stores chains there is much stronger support for the concept of liberalised

shop opening hours. Five out of the top 10 UK retail groups - listed according to sales figures - are firm supporters of removing restrictions on shop opening hours. They are: Woolworth Holdings, Burtons, Asda/ MFI, Dee Corporation and Tesco.

Another leading retailer, J. Sains bury, already opens its do-it-yourself stores on a Sunday and admits it would have to consider supermarket openings if other grocers did so. Even Marks and Spencer, which

has not positively campaigned against the Government's Shops Rill, acknowledges that it may have to open on Sunday in its new out-oftown superstores to keep in line with other traders. Staunchest opponents of Sunday

trading among the top 10 retail groups are Sears Holdings - whose retail interests include Selfridges department store and the British Shoe Corporation - and the Boots

Outside the top 10 UK retailers, there is strong support for Sanday trading from Sir Terence Conran's Storehouse group and newsagents include an economic dimension in their lessons will be launched today by Sir Keith Joseph, Education Secretary.

Secretary.

The scheme, based initially in-London and Manchester, is backed by companies such as BP and Uni-lever as well as the departments of Education and Science, and Trade Dixons, which is currently bidding for Woolworths, is against Sunday trading.

Mr Nigel Whittaker, a director of Woolworth Holdings, has been one of the key organisers of retailers in favour of Sunday trading. He said yesterday that it was "obviously lentimate for a minority of retailers to take the view it would be unprofi table for them to open on Sundays."

project, said the aim was to train school staff to use economics as a vehicle for teaching other, subjects, rather than to teach it as a special-But, he added, "it is absurd and For example, a biology teacher as outmoded as burning at the might spend time on the economic effects of smoking in addition to the stake to suggest that retailers who wish to meet the demands of cushealth effects, or a religious educatomers who want them to open on ion teacher might look at the moral Sundays should be subject to the criminal law."

Mr Hardy and his Merlin phone system perform the illusion of transporting Birmingham Bull Ring to Cannon Street, EC4.

IN WHICH WE LEARN OF THE MANY ADVANTAGES OF UNITING DIVERSE AND DISTANT EMPORIA WITH A SINGLE COMMUNICATIONS SYSTEM.

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INTERNAL CALLS FROM THE

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"As from today," began Hardy, "we shall be working far more closely with our Birmingham and Brighton branches. You may in fact assume that they now share this very building." The Board looked round uneasily.

"Allow me to effect a small

demonstration." Hardy turned to his assistant. "Miss Snow, would you be so kind? Gentlemen, I need barely remind you of the time, trouble and expense it takes to reach our Birmingham office." The Board nodded, recalling forgotten numbers and frayed tempers. "Miss Snow, would you dial 4596. Apparently an internal number, Gentlemen, 4596." Miss Snow complied, with a flourish.

SHARED RESOURCES FOR GREATER SATISFACTION

Almost instantly she replied to the voice and replaced the receiver. "That was Hargreaves from the Birmingham office."

"As promised", announced Hardy, "the Birmingham branch. Apparently in

this very building. An illusion, of course. But magnificently effected by our Merlin DX communications system."



"Remarkable indeed, but, Gentlemen, we must not think only of ourselves. A single set of operators and a single set of equipment here in Cannon Street will now be able to service the whole company. More satisfied customers, quicker responses, seconds saved on every call. It's all time in the bank, Gentlemen."

MORE THAN SIMPLE SPEECH

"There's more, Gentlemen. Data," Hardy whipped a black cloth from the table before him to reveal a

keyboard and screen. "Suppose I want to work with files from the Brighton office. A simple case of

one, two, three and presto!" Hardy's fingers danced over the keyboard and the screen began to fill with text. "Data, Gentlemen, down the telephone line. I give you the Merlin DX communications system from British Telecom in all its considerable glory." It was a little: dramatic, but Hardy was in a thespian mood.

A VISION OF THE FUTURE

Board applauded enthusiastically. "The dawn of a new beginning. We now have a system that allows us to pool our resources, to share knowledge and experience." Hardy stopped. He had succeeded in transporting both Birmingham Bull Ring and the Brighton branch to Cannon Street. He had presented them with the Merlin DX communications system. What more could anyone want?

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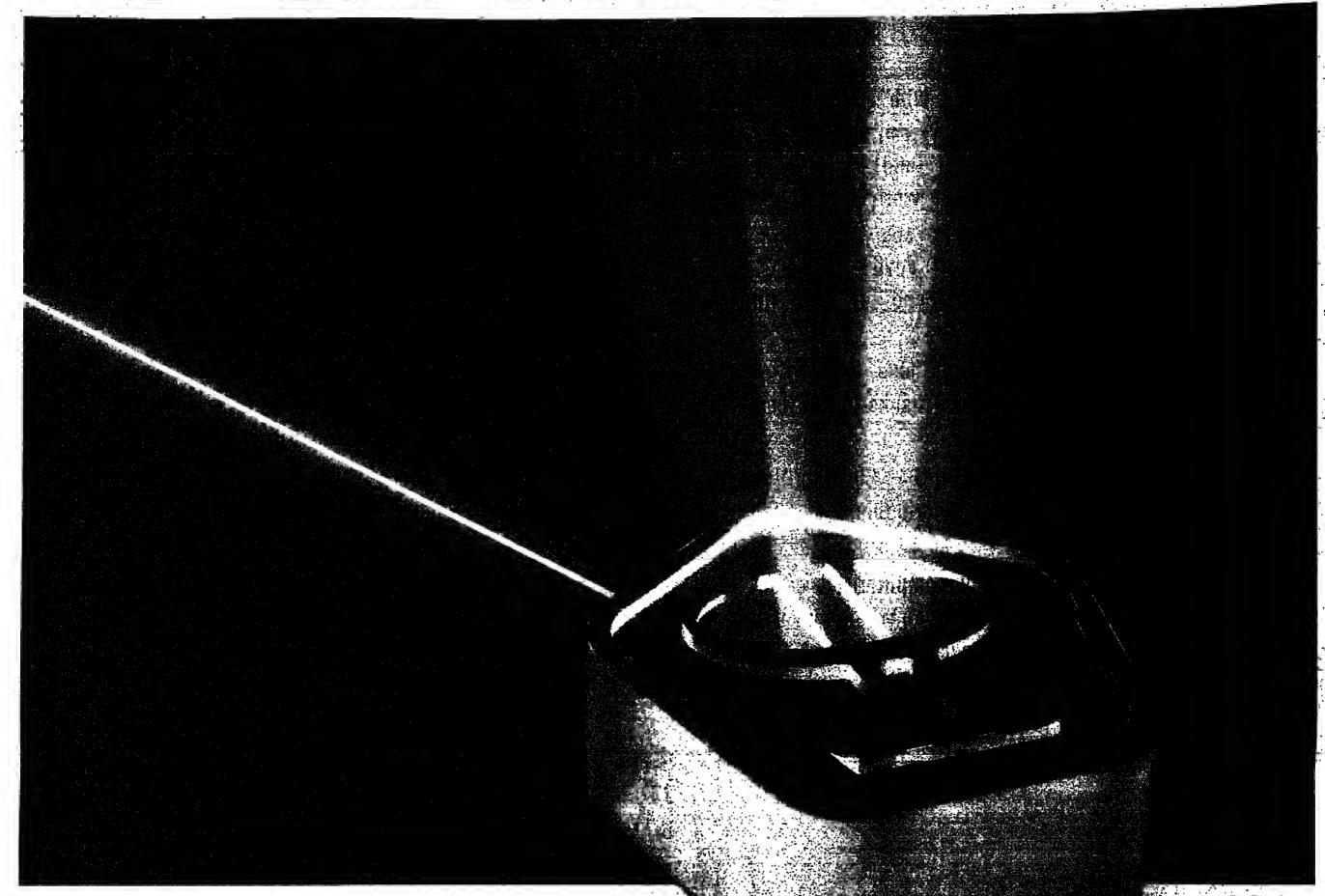
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| INDOMINATION AND | Commission | PREMIUM . French Charge |
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| Entertainment | | DATIBUTE |

During 1985 the Financial Times' circulation increased to record levels in the United Kingdom, Continental Europe and the USA, where it commenced printing by satellite in July. It had a very successful year financially, won numerous editorial awards and also launched a new on-line statistical service. Finstat, as part of its build-up in the area of electronic publishing.

Westminster Press, despite an increase in advertising volume and revenue, did not meet expectations and has begun a programme of reorganisation under the direction of Frank Barlow, who is now chief executive of both Westminster Press and the Financial Times.

Longman's profits and sales increased substantially in 1985 and the pace of development masterminded by Tim Rix was fast. Three events stand out: the formation of Longman Cartermill, Longman's first venture into electronic on-line publishing, the acquisition of Pitman and, in the US, the creation of the Longman Financial Services Institute.

Penguin, inspired by Peter Mayer, celebrated its 50th anniversary in style; winning literary awards for

itself, Viking, Kestrel and Puffin and acquiring the distinguished publishing houses Hamish Hamilton, Michael Joseph, Rainbird and Sphere.

Madame Tussaud's and its UK subsidiaries, led by Michael Herbert, collectively attracted over five million visitors and its profits substantially surpassed the record level of the previous year.

Our associate company, Goldcrest, had a miserable year. Its main release, Revolution, cost far more to make than was intended and was badly reviewed. The future success of the business will largely depend on two films to be released this year, Absolute Beginners and The Mission. Jake Eberts has returned to lead the management team.

Information and Entertainment

In 1985 the profit level of Fairey remained good. Derek Kingsbury has organised the development of the company since he became responsible for the Engineering sector of Pearson in 1983.

Fairey announced a restructuring at the beginning of 1986 which will focus its business onto four core activities, aerospace and subsea engineering, electronics, filtration and industrial ceramics.

Information and Engineering Control of the Control

Lazard Partners, chaired by Michel David-Weill, continued to develop collaboration between the three Lazard houses. Activity in New York, Paris and London was high, with the latter, under the leadership of Sir John Nott, successfully developing a number of new business areas and avoiding the temptation of purchasing the expensive goodwill of other City firms.

Doulton, where Stuart bons is now managing director. The company achieved record sales and profits, demand remained buoyant and the year; inder with full orderbooks. Further expansion of ranges, markets and production is envisaged.

In spite of increasingly difficult market conditions, the performance of Camco, tipde, the leadership of Gil Tausch, surpassed that of most of its competitors in the oil services industry Sales and profits both rose.

If you would like to know incre about Pearson's activities please post the coupon for a copy of the 1985 Report and Accounts

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International fraud in the City

The crime that can span a host of countries

By Clive Wolman

"IT IS just the tip of the ice-berg" is the most common reaction to the allegations of frand in the City of London over the last six months.
But those involved in the pre-

vention and investigation of fraud insist that the largest ice-bergs are not lurking beneath the tips exposed by the two most publicised scandals, in the most publicised scandals, in the Lloyd's insurance merket and at Johnson Matthey Bankers before and after its collapse into the arms of the Bank of England 18 months ago.

Until no less than 40 fraud squad officers descended on JMB in the autumn in response to political pressure existingly.

to political pressure, relatively few police or private agency fraud investigations were focused on either corrupt bank lending practices or on re-

Of the alleged wrong-doings of the alleged wrong-doings at JMB, its dublous shipping loans seem to be the only ones which represent a form of commercial crime causing wide-spread concern. According to Mr Eric Ellen, director of the International Maritime Bureau, the investigatory arm of the the investigatory arm of the International Chamber of Com-merce: "The banks' generosity with their loans to shipping has opened many opportunities for

In the depressed shipping morket one growing fraud is for ship owners with large bank loans to divert some of their income into secret accounts so they appear to be making losses and are forced into hankruptcy. Another is for shipowners to Another is for suppowhers to take loans mortgaged on their ships but based on infleted the the the ships.

sink the ships.

But cargo is the target of the most common maritime frauds and the perpetrators are frequently foreigners who fly into London, set up phoney operations and leave (see

panel).

Nearly all the complex, organised fraud in the City of London is international. Often the City provides little more than a setting for the erime. The fraudster's best safegnard against detection. or at least prosecution, is to ensure that his crime spans several difference of capital, is called advance to countries. Police are likely to put a fraud complaint low realise that they have been de
givenantors of loans. Confronted by even tougher competition for the largest international contracts, corporate executives have become more willing to put up "seed money" for a project which, they are persuaded, has a reasonable chance of success. They are also persuaded not to countries. Police are likely subtlety that the vietims never talk widely about the project in case competitors get to hear.

TYPES OF ORGANISED FRAUD

| Activity | Examples |
|--------------------|---|
| Lending | Advance fee frand, shipping loan frauds, corrupt international practices. |
| Money transmission | Computer francis to break the coding on telexes. |
| Securities markets | Insider dealing in rings using offshore dealers. |
| Commedity markets | France against private investors in Europe, VAT frauds involving gold bullion. |
| Venture capital | Advance fee and seed money frauds. |
| lesurance | Aviation and maritime fraud. |
| Trade | Cargo frauds, frauds against Export Credit |

In the more sophisticated ver-sions, the victim pays money

up-front to participate in a venture which fails to materia-

venture which fails to materia-lise. The venture is often a large property development or eivil engineering project in a Third World country. The construction of hospitals and road systems in the Gulf and agricultural development plans in Africa are some of the more popular projects.

down their priority list if both frauded. perpetrators and victims are

foreigners.
The UK has lagged behind many Commonwealth and Euro-pean countries in agreeing to mutual assistance treaties to facilitate the collection of evidence overseas, the interview-ing of witnesses and the capture of criminals. As the Roskill committee on fraud noted in its report published in January, the investigation and prosecution of fraud in England is hampered by a mass of outdated

rules and practices.

International fraudsters are also attracted to London as a centre of finance, trade and shipping. A central London office address makes it easier for the fraudster to gain credibility and to impress potential victums. The lack of exchange controls projects, and of regulations on setting up The vice a business add to the attractions of the UK. For example, no registration is required when two foreigners arrive and set up a

to put a fraud complaint low realise that they have been de- case competitors get to hear.

According to Mr Vincent Carratu, who runs a private detective agency specialising in fraud, there are at least two major frauds of this sort being carried out in Europe at the

The fraudster offers to put up a large amount of modey htmself as part of the joint venture. Good hank references are essential. One victim, when checking credentials, found that the fraudster had over £2.5m in his current account. Only later did it discover that the money had come from other companies that were also per-suaded to provide seed money, on an "exclusive hasis," for the same phoney project.

Shell hanks are popular. They used to be based in the Carib-hean, but a gradual tightening of regulations there has en-couraged migration to the South Pacific islands. Some shell banks use the names of In the simpler versions, which reached the peak of their populwell-known international banks well-known international banks such as Midland to give the impression they are subsidiaries. They are particularly useful if the frandster seeks credibility by suggesting that. reached the peak of their popularity between 1882 and 1884, the victim was usually the Government of a Third World country deep in debt. It offered to pay a fee in advance to a fraudster with impressive documentation to show he could arrange a large loan. But once be pocketed his fee, he disappeared. for security, the victim pays his advance fee or seed money into an escrow account—at the

shell hank.
To succeed, the frandsler has to conduct his operations in style. One froudster has in the reception of his Swiss offices a model of one of his phoney developments while architects' plans for other, similar pro-jects line his walls. He also

jects line his walls. He also uses a villa in the south of France for entertaining.

Through his lavish entertaining, the fraudster builds upcontacts with whom he discusses bis deals on an apparently genuine hasis. He can then refer his victims to them for re-assurance. Fraudsters with Third World pro-The victims ere usually banks, financial institutions or large conglomerates with funds to invest and governments often them for re-assurance. Fraud-sters with Third World pro-jects build up contacts with emhassy staff as a way of reach-ing Government officials. According to an official of one independent ageocy: "It is sur-prising how quickly you can reach the top in many Third World countries when you have the right contacts and the right type of product."

Once the finance is supplied.

Ooce the finance is supplied, the more sophisticated fraudsters will give regular reports



the difficulties the project on the difficulties the project is facing and explain the reasons for the delays. After a year or so, the fraudster may admit that the project has failed and return a small proportion of the original investment which, he says, is what remains after all his expenses. The company was all the says of The company usually suspense nothing. "Some companies refuse to believe that they

have been defrauded."
In contrast to these new forms of international fraud. the more traditional forms of

City fraud have been declining, in particular these against the

in particular those against the investing public.

Insider dealing, however, particularly in the run-up to a take-over hattle, is increasing. The surveillance department of the Stock Exchange believes that organized rings have been set up to exchange price sen-sitive information and to buy

companies

The UK investing public is mate, of more than £100m. Two pocketing virtually all the least well protected in the companies and futures markets dity firms that were telephoning he invested in gold.

which in recent years have been scarred by several frauds. The most audacious and bizarre was perpetrated by a Warwickshire boffin called Keith Hunt who employed 120 staff, including 40 researchers to examine there patterns, until he disappeared three wars are after an early stage although three Germans of money concealed from the tax authorities. Not surprisingly, the police showed little enthusiasm to in the stage are after an early stage although three Germans of money concealed from the tax authorities. mans who were defrauding other Germans of money con-Not surprisingly, the police showed little enthusiasm to in the Stock Exchange believes that organised rings have been three years ago after an early morning car chase.

But migrational commodity shares through offshore dealing frauds have been more important with losses, some police esti-

THREE EXAMPLES OF HOW IT TOOK PLACE

NEARLY two years ago, two brothers from fadia flew into London and set up in business as shippers. They operated as a partnership from a cented flat and used a photo-copying shop in New Cavendish Street in the West End as their postal address.

They arranged a \$200,000 shipment of tinned food to an imported in the United Arah Emirales from a UK supplier and were paid cash on delivery. A second shipment was arranged with a value of \$500,000 and again they were paid each on delivery.

On the third occasion, the On the third occasion, the shipment, this time worth \$1.3m, was financed by the use of letters of credit. These were issued by the bank of the Arab customers to the Indian shippers. The two hrothers filled the containers with rubhish and at the port were given bills of lading and the other documents they needed to cash their letters needed to cash their letters of credit. They then transferred most of the \$1.3m to
a numbered Swiss hank
account and took the next
aeroplane out of the UK to

Indiz. They left at the photo-copying shop 2 forwarding address in Rio de Janeiro. The men knew they were unlikely to he brought to justice even if the British police had taken an interest because of the lack of an

extradition treaty between the UK and UAE, However, they used about 15 per cent of the money to buy a house in Connaught Square. Mayfair, which was registered in the name of one of their wives. The Inter-national Maritime Bureau managed to trace the owner-ship of the property about six mooths ago. They ohtained a court order to seize the bonse and have now sold it off and sent the £140,000 proceeds to the defrauded UAE customers.

THE small states in southern Africa are often the victims of fraud organised by groups in South Africa. About three years ago, the fraudsters approached the government of soch a state with a grandiose plan to set up a giant gambling centre that would attract visitors from alt over the world. The project would include huilding hotels, casinos and a new international airport, and establishing a national air-

line.
The government enthusias-The government enthusiastically approved the scheme.
By Introducing various
plausible contacts, the
fraudsters succeeded in
extracting money not only
from the government hut also
from five companies, including two large UK trading and
international development
companies. Their total hand
was at least \$5m.

was at least \$5m.
The address of the airline they said they were setting up was in Florida. It turned out to be a deserted singte room above a take-away food shop. The forwarding address led nowhere.

A BLUE-CRIP UK conglomerate which owns a large hotel chain was last year the target of one advance-fee fraudster from Australta. After carrying out various frauds in south-east Asia. about a year ago he moved

his base to Monte Carlo and set np his operations in Europe as a property developer and financier. He acquired all the necessary embellishments, a yacht, expensive cars and a shell hank in the Pacific island of

Nauru. The conglomerate planned a large extension to one of its London botels. The fraud-ster, through an intermediary be has worked with for many years, offered to arrange the financing. One of his terms, which were agreed in prin-ciple with the finance director ciple with the finance director of the botel chain subsidiary, was that the company should give bim £750,000 as an advance payment. The money was to he handed over in tranches but be could have pocketed about £200,000 before anything suspicious occurred.

At a late stage in the nego tlations, about four months ago, the company asked the police whether they had any records on the man, and was told no. But it was tipped off by a semi-official agency and cancelled the deal.



These days few people still buy cars purely for their prestige value. Even in the top luxury class, size and comfort-related features are no longer the only decisive criteria. And it's not going to change in the

True luxury will have to include a high level of technological sophistication and engineering quality.

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Architecture/Colin Amery

First steps to replace City's ugly buildings

The City of London made some bold moves after the Second World War. The deciaion to build the Barbican as a residential enclave with an arts centre, fringed by the office towers of London Wall, was an enlightened one. Those were heady days after the Blitz when people believed with an incur-able optimism that planning was going to create a better

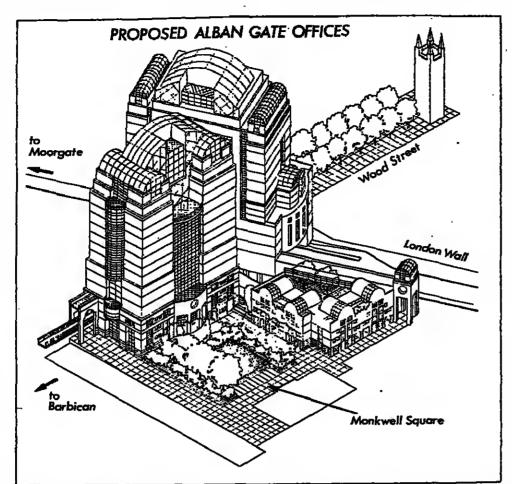
If you stand today on the podium in front of the Museum of London and look down London Wall there is no doubt that what you see represents an historic vision of its day. There are seven curtain walled glass blocks, forever characterised in John Betjeman's phrase 2s "rent collecting slabs."

At a press conference last At a press conference last week the chairman of MEPC, one of the world's largest property companiea, described these blocks as ugly buildings that bave outlived their usefulness. They were built in the early 1960s, when they were believed to represent the best in office design and urban planbelieved to represent the best in office design and urban planning. The planners were particularly proud of a motorway that roared through the city from Aldersgate Street to Moorgate, with pedestrian bridges at second-floor level to encourage a flow of footsore pilgrims to the Barbican.

It has never worked it is

It has never worked. It is impossible to find your way in or out of the Barbican and the quality of the ground level environment is abysmal. What is more, the upper level podium has never lived up to those glamorous perspectives showing life in the future under sunshades and with soaring towers of the new City on all sides. The reality is a windswept, dismal acreage of unloved con-

These buildings are now believed to be completely redundant and unsuitable for the large-scale dealing rooms and mechanised offices that are demanded by banks and finan-cial institutions after the "Big



MEPC chairman Christophe: overdue recognition that City Benson was announcing his architecture of the late 1950s Benson was announcing his company's intention to apply for planning permission to demolish the first of these redundant creatures of the 1960s, Lee House, which stands at the north-east corner of London Wall and Wood Street. They aim to replace it with a new office building that would incorporate a large new tower built across the London Wall itself, utilising the air rights of the highway. This is a major

itself, utilising the air rights be channelled into areas that of the highway. This is a major offer developers air rights over breakthrough. It represents some streets and this will per-

mit the scale of dealing room and office that demands new

The first of these new plans put up hy MEPC architect Terry Farrell is called Alban Gate. Farrell is called Alban Gate.
Mr Farrell bas a distinct gift for acceing ways of utilising spaces in cities that would normally be ignored. He is on the side of the users of the city and wherever possible would like to make life easier for them. By putting a substantial building across London Wall, he marks a gate to the Barblcan London Wall.

London Wall.

What has gone so wrong in the past is the combination of modern blocks with a podium that is like an SAS assault course. The danger of future plans is that architecturally they may smack too much of building across London Wall, he marks a gate to the Barblcan dated imagery.

and focuses its entrance on Wood Street. There be would place escalators to take pedestrians into an improved podium with sbopa and restaurants under cover. The new square at the tower's foot would have houses and improved landscap-

Mr Farreli is influenced by the American school of post-modern architects led hy Michael Graves. These build-ings look rather like two mat-ing robots in the initial drawlngs. They are two towers linked umbilically by their serlinked umbilically by their services. As yet the link is unresolved and the Slamese twin quality of their union is unsatisfactory. They would be decidely different from anything elae in the Ctty—made of multi-coloured granite and glass with a highly distinctive form. Dealing floors around the now compulsory atria, in turn would give the hlocks a strong curved glass roofline. curved glass roofline.

Terry Farreli's architecture is derivative but it is also extremely well planned and innovative in its use of the City. He is right when he says that what the City needs is a new examination of the whole of the London Wall area. There is a proportionity to fell in and an opportunity to fill in and build another village on the ground levels of the Barbican

Planners are also considering four other bridge projects to span London Wall, including one reaching from the Museum of London rotunda to Aldersgate Street, and there are schemes to utilise the air space above Lower Thames Street. Terry Farrell himself is likely to redesign a second is likely to redesign a second tower, St Alphege House on London Wall.

American Ballroom Theatre/Sadler's Wells

Clement Crisp

Take four fine ballroom are of exceptional distinction as of the piece ever-taut. This is dancing couples, an orchestra examples of the best exhibition exemplary dancing, and its dancing, fluent, technically quality is maintained through and dances of the last 40 years, and dances of the last 40 years, and you have what the Wells is to show for the next week—an evening of great charm. And nostalgia, of course, as the couples swing and sway and mambo dazzlingly through their routines. These are, in themselves, of more than usual interest in that they have been choreographed by John Roudis, a veteran of hallroom dancing, able to catch the various styles

able to catch the various styles of the evening with an unforced felicity of means.

The couples are Plerre Dulaine and Yvonne Marceau. directors of the ensemble: Gary and Lori Pierce; John and Cathi Nyemchek; Richard and Bonnle Diaz: all champions all well matched and well contrasted in presence. It might seem invidious to single out one pair, but the contributions by Mr Dulaine and the lissom Miss Marceau

able to catch the various styles

are of exceptional distinction as examples of the best exhibition dancing, fluent, technically superh richly varied in mood and manner: to see them in a Latin American Concerto d'Aranjuez, or in a waltz, is to witness hallroom dancing et its finest and most elegant.

One of the rarest qualities of social dance of this calibre is the rhythmic aptness, as well as performing in the dancing of the company.

This is and its quality is maintained through-out the evening.

About the contribution of the Pasadena Roof Orchestra, the on-stage band, I have certain reservations. In the Latin American numbers, they establish a well-driven tempo and the right sort of bright, brash tone. But some of the songs of the thirties need more gloss, a fuller, sweeter sound — Night and Day was a disaster area — and the final Blue Danube missed the grace and elasticity of atyle so clear in the dancing of the company.

This apart, the evening remains and the grace and elasticity of atyle so clear in the evening.

This apart, the evening is subtitled. The programme is subtitled should be programmed in the programme is subtitled. Sheet Romance. Hurrah for such as the programme is subtitled.

Delmé String Quartet/Goldsmiths' Hall

Paul Driver

The 273rd presentation by the City Music Society at Goldanith'a Hall was of a profit gramme played by the Delme String Quartet on Thursday. In a beautiful environment, with a beautiful environment, with a beautiful environment with a beautiful environment with a beautiful environment, with a beautiful environment with a beautiful environment for the lytically soaring first violin. The overall effect is rather as found structure of the Menuetto opening movements opening movements in the lytically soaring first violin. The overall effect is rather as found structure of the Menuetto opening movements in the lytically soaring first violin. The overall effect is rather as found structure of the Menuetto opening movements in the lytically soaring first violin. The overall effect is rather as found structure of the Menuetto opening movements in the lytically soaring first violin. The overall effect is rather as found structure of the Menuetto opening movements in the lytically soaring first violin. The opening movements of the Menuetto opening movements of the Menuetto opening movements filt from time to time."

Strings a stille whose stant is thought the rhetoric, of string opening movements of the Menuetto opening movements opening movements of the Menuetto opening movements of

Paul Roberts/Wigmore Hall

Dominic Gill

Paul Roberts specialises in the French repertoire, but he is not a very French-sounding pianist: the sonority is tough and rather hard, without much and rather hard, without much depth of tone-colour, or fine balance of inner voices; the manner is efficient rather than evocative, well-worked rather than engaging. His recital programme on Friday night was sub-titled "Cross Curreots of France and Spain," and included some morecour of cluded some morecoux of Skryabin (though the French Influence is more marked in Skryabin's titles than in the Preludes (curiously missing out the "obvious" thematic Lo Puerta del Vino) together with the Solrée dans Grenade, Albeniz's Rondena from Iberia, and Ravel's Alboroda. A Russo-Franco-Spanish pot-

Pourri in fact, delivered for the most part correctly, but bluntly, witbout notable subilety or charm. One of the best things coarm. One of the best things
of the evening were the fast
arpeggios in Debussy's Feour
d'ortifice—really very impressive. But such moments tended
to stand alone, glimmers of
colour or virtuosity in a canvas
of well-intentioned monoabroyme for a period

Of special interest was Mr

broader and more significant than his modest oeuvre would suggest. We heard two pieces suggest. We heard two pieces; each from two of the three large Sultes which comprise the greater part of Severac's output—"Les Fétes" and "Les Muletiers" from Cerdana evoke the shades of a delicately Frenchified Rakhmaninov, but lightly only, for the effect is altogether sparer, more quirky altogether sparer, more quirky and whimsical than the Russian. Balgneuses ou soleil, a hubbly sketch dating from 1908, seems to offer unmistakable echoes of Debussy's Ondrae for Baigneuses predates his Prelude by some five years.

Patrick Donnelly wins Glyndebourne opera award

Esso/Glyndebourne Touring Opera Singers' Award for 1985 has been given to the

to go to Vienna for a period of intensive coaching with Otto Roberts's inclusion of a handful Edelmann before he returns to of rarities by Deodat de Séverac Glyndebourne when he will Glyndebourne when he will join the Chorus and sing the —that d'Indy pupil and younger
contemporary of Albeniz and
Debussy, widely loved and
respected in his time, whose
musical influence was certainly

dividendurle when he will
join the Chorus and sing the
role of Lictor (L'incoronazione
di Poppeo) during the Festival
and Masetto (Don Giovonni)
with GTO in the autumn.

Parsifal/Coliseum

Joachim Herz's production of Parsifal, which opened at the Collseum on March 15, ends its amply compensated elsewhere. initial run next Saturday. For the last two performances Llonel Friend replaces Reginald Goodall, though the cast is unchanged. On the first night, bowever, Warren Ellsworth was unable to sing Parsiel, and the

opening Ellswortb's presence brings a measure of sense. He is first and foremost a totally absorbing stage performer, rangey, prehensile, emanating physicality and animal instinct. that much one remembered from his part in Welsb National's Porsiful in 1983; now singing in English (and Andrew from his part in Welso dominates the centre of the National's Parsiful in 1983; now singing in English (and Andrew but an encumberance. The Porier's new translation is a chorus is handled clumsily, splendid aid to comprehension though at least the female nnly partially appreclated in the bilingual performances) he makes each syllable count: the sequence of "I know not" at up in the auditorium and his interrogation by Gurnemanz sounds much happler for it. At was shaded with such naturalwas shaded with such natural-ness and intelligence as to grail failed to descend from the make the listener hang on every word. The voice may not be that of the Parsifal of one's dreams, but it is superbly

Andrew Clements

tallored to his view of the role; as to what was going on as any lack of full-blooded tone is Parsifal himself.

Ellsworth's acting is so unforced it makes even the most accomplished of his fellows seem stiff and inflexible. But Lionel Friend replaces Reginald Goodall, though the cast is unchanged. On the first night, bowever, Warren Elisworth was unable to sing Parsifal, and the story of bis replacement by Slegfried Jerusalem, singing in German, has been widely retailed. Elisworth rejoined his sive history; Anne Evans gives colleagues at the third performance, and on Friday there was no trace at ail of any residual vocal troubles.

To some aspects of the production that seemed approximate and ill-conceived at the conduction that seemed approximate and ill-conceived at the conductions.

To some aspects of the production's presence of the production's conception of the concepti

> and dramatically will be getting a far more convincing product than those who saw the produc-tion in its early days. heavens at the climax of the first act, thus making much of the stage action pointless, and limited season ending on leaving the audience as baffled July 5.

Parsifal himself.

In many ways Lionel Friend
was asked to do the almost
impossible by stepping into
Goodall's shoes, coming to a
conception of the opera that
had been totally wedded to a
very personal view of Wagner.
But he manages to important his moving.

But many of the production's most serious problems prove to be endemic. It is Irredeemably ugly to hehold, and all Ellsworth's athleticism cannot make the stark wedge that dominates the centre of the stage in the outer age anything. the ball, and thereafter an implacable will sends her unhesitating to her fate. It is from this concept of the role that the dance springs with such ravish-ing force. But it is also in this

Gelsey Kirkland/Covent/Garden

Clement Crisp

dance springs with such ravishing force. But it is also in this dramatic understanding that the character seems blocked in inward contemplation rather than outward expression.

In Indian actress Madbur Jaffrey at the character seems blocked in inward contemplation rather than outward expression.

It is the first show to be held this conception of "total art": at Palazzo Grassi, a neo-classical in through the summer there than outward expression.

Miss Kirkland's is the stillest, most unyielding interpretation of Juliet Like a Metbod actress, ahe plainly knows and feels centre under the direction of are Flat and United Technologies, who are each putting up judged appearance on the Grand Canal will be films and music, hallet bought and restored by a private in Los Angeles, and the popularies of the Beaubourg in Verlice.

It is the first show to be held his conception of "total art": at Palazzo Grassi, a neo-classical all through the summer there than outward expression.

The building interpretation of the building will be used as Futurist movement. Co-sponsors of the exhibition and arts. Co-sponsors of the exhibition are fell and United Technologies, who are each putting up judged appearance on the tor and founder of the Moderna Closing day is on October 12.

Returned on Friday night to the Royal Ballet as guest. Gelsey Kirkland brings an exquisitely pure and free technique to the role of Juliet which she first anced at Covent Garden in 1980. This American ballerina's statement of the choreography in the ballroom and above all in the balcooy dnete-cannot be faulted. Her child-like body, the reading through the dance to Juliet's soul, are the most cutting through the dance to Juliet's soul, are the most leoquent advocates for Mac Millan's view of a young girl's passion. To watch Miss Kirk land running to Friar Laurence, with long-paced steps the eager implice for movement, is to see a heing as flutteringly unreasoning in this portrayal fit is decisive, closely argued at every moment, and never the reiction of impetuous temperament, Rather do we sense that Juliet knows her destiny from the Instant of seeing Romeo at the ball, and thereafter aim miplaced be will sends her un-

"Futurism and Futurisms" in Venice Futurism and Futurisms, one Museet in Stockholm, the of the largest exhibitions ever Museum of Contemporary Art to be spongored by a private in Los Angeles, and the popu-

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NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture, dated as of April 1, 1975, under which the above described Notes were issued. Comalco Limited has elected to redeem on May 14, 1986 all of its outstanding Notes, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

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backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payer's taxpayer identification number lemployer identification number or social security number, as appripriate. Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when prosenting your securities for payment. On and after May 14, 1980, interest shall cease to accrue on the Notes.

Dated: April 14, 1986

COMALCO LIMITED

Arts Guide

Music/Monday. Opera and Saliet/Tuesday. Theatre/ Wednesday. Exhibitions/Thursday, A selective guide to all the Arts appears each Friday.

Music

LONDON

London Sololsts Chamber Orchestra conducted by David Josefowitz with Mayumi Fujikawa, violin. Hor James, horn, and Julian Cawdry, flute. Mozart Queen Elizabeth Hall

Mote. Mozart. Queen Euzapeth Hall (Mon). (928 3191).
Arditi String Quartet with Miriam Bowen, soprano and Alberto Portughels, piano. Ginastera and Dutilleux. Queen Elizabeth Hall (Tue).
London Symphony Orthestra conducted by Michel Plasson with Barry Tuelsmall have Chabrian Damase. Tuckwell, hora Chabrier, Damase, Roussel and Berlioz, Royal Festival Hall (Wed). (928 3191). Chick Cores Elektrik Band: Ronnie Scott's, Frith Street (439 0747).

BRUSSEI S

Palais des Beaux Arts. Franz Liszt Chamber Orchestra – Bach, Men-delssohn, Bartok. (Tue). (512 50 4S).

PARIS

Orchestre Colonne conducted by
Claude Baron, Gerard Poulet, violin: Amsterdam, Concertgebouw. The
Concertgebouw. The Concertgebouw. The
Concertgebouw. The Concertgebouw.

Salle Pieyet (4561 0630).

Brightte Fassbeender recital (Mon).

Théâtre de l'Athenée (4742 6727).

Orchéstre National de France conducted by Gary Bertini: Duparc, Berlioz, Stravinsky (Tue). Théâtre des Champs Elysées (4723 4777).

Bach Becital on two pianos: Millette's Alexander and Frank Daykin (Tue).

Salle Gavean (4563 2030). Salle Gaveau (4563 2030). Orchestre de Paris conducted by Sem-yon Bychkov. Shlomo Mintz, violin: Beethoven. Bruch, Shostakovitch

(Wed, Thur). (4561 9607).

ITALY

Naples: Teatro San Carlo: American mezzo-soprano Shirley Verrett (Mon). (4i 82 66). Rome: Ania Magna delle Universita la Sapienza (Piazzale Aldo Moro 1). Musica Oggi orchestra, Lnigi Dallapiccola with the soprano Dorothy Dorow (Tue). (361 0051).

Rome: Teatro Olimpico (Piazza Gentile da Fabriano): London Early Music Group. Henry Purcell And The Most Fam'd Italian Masters, conducted by James Tyler. (Wed). (263 264)

(393 304), ome: Auditorium in Via della Conciliazione: Luciano Berio conducting Karl Stockhausen's Oberlippentanz for trumpet and orchestra, from the opera Samstag Aus Licht. Also Haydn and Berio's suite from his opera Un Re In Ascolto (Mon and Tue). (854 1944).

janna Kweksilber, soprano, and Reinbert de Leeuw, piano, Mahler,

red by Edo de Waart, with Karita Mattila, soprano. Webern, Mozart, Elgar (Mon, Tue). Recital Hall: Ra-phael Quartet with Vovka Ashkenazy, piano. Mozart (Mon). Robert Holl, bass, accompanied by Rudolf Jansen, Schumann, Regar, Mus-Songsky (Tue). (71 83 45).
Utrecht, Vredenburg Recital Hall:
Shostakovich Quartet. Prokofiev,
Tchaikovsky, Beethoven (Tue). Mar-

Berg Zemlinsky, Schoenberg, Wolf (Wed). (31 45 44).

Rotterdam, De Doelan. James Conlon conducting the Rotterdam Philharmonic, with Hanna Jaszyk, piano, Alfreda Hodgson, contralto, and Peter Lindroos, tenor. Mozart, Mahler (Thur). (14 29 11).

Maastricht, Staargebouw. Piano recital by Imogen Cooper. Haydn, Schumann, Schubert (Tue). (21 33 00).

April 11-17

NEW YORK

New York Philharmonic (Avery Fisher Hall): Christopher Hogwood con-ducting, Jeanne Baxtresser finte, Judith Leclair bassoon, All-Mozart programme (Tue, Thur). Lincoln Center (874 2424).

Center (874 2424).

Merkin Hall (Goodman House): Leonard Hindell bassoon rectral. Handel, Beethoven. Mendelssohn Hindemith, Françaix (Mon); Calliope. Italian Renaissance band music with guest artists Aulianne Baird soprano and Stanley Charkey lute (Tue); Gervase de Peyer clarinet recital. Classical and English clarinet works (Wed); Music Spectrum. Boris Berman music director and piano. Duparc, Franc Boulez, Debussy (Thur). 67th w. of Broadway (362 8719).

(362 8719).

Kaufmann Hall: Tokyo Quartet. Programme to include Mozart (Tue, Wed). 1305 Lexington Av (831 8603).

WASHINGTON

National Symphony (Concert Hall): Jaan-Pierra Rampal conducting Jean-Yves Thibaudet piano: Honeg ger, Liszt, Faurė, Beethoven (Thur). Kennedy Center (254 3776).

Saleroom/Antony Thorncroft

Gilbert comes good

Sir Alfred Gilbert was his own worst enemy. He had the art would and aociety generally, at bis feet in the 1880s and was regarded as perbaps the greatest Britiab sculptor ever: the centre of London was crowned with his Eros. Eventually his casual treatment of clients—they paid for work he never got round to producing—led to disgrace and exile.

His reputation has been approached to the type and carries a top estimate of £20,000.

Also on offer at Christie's

timely offer of three hronzes by Gilbert et its Victorian sale on Wednesday. There are two casts of hia celebrated Perseus Arming, the 27in high version estimated at up to £30,000, while the more common one; 14in high, might make £12,000. A large Comedy and Tragedy carries a £20,000 top forecast. No one knows how many copies of these bronzes exist.

The demand for oriental earpets, and rugs is atill in a

His reputation has been restored by the exhibition at the Royal Academy and now Sotheby's has chimed in with a timely offer of three bronzes by Gilbert et its Victorian sale of famous of all flower books. famous of all flower books-Redoute's Les Roses. This first edition, produced in three volumes between 1817 and 1824, is expected to realise between £50,000 and £60,000.

Many of the most famous and expensive books make an appearance—Gould's Birds of Great Britoin at around £30,000; David Roberts Holy of these bronzes exist.

The demand for oriental carpets, and rugs is atill in a state of convalescence: it has hever really recovered from the collapse of the Iranian market after the overthrow of the Shah. But there are signs of recovery; and Christie's has expectations for the more unusual items it is offering on Thursday.

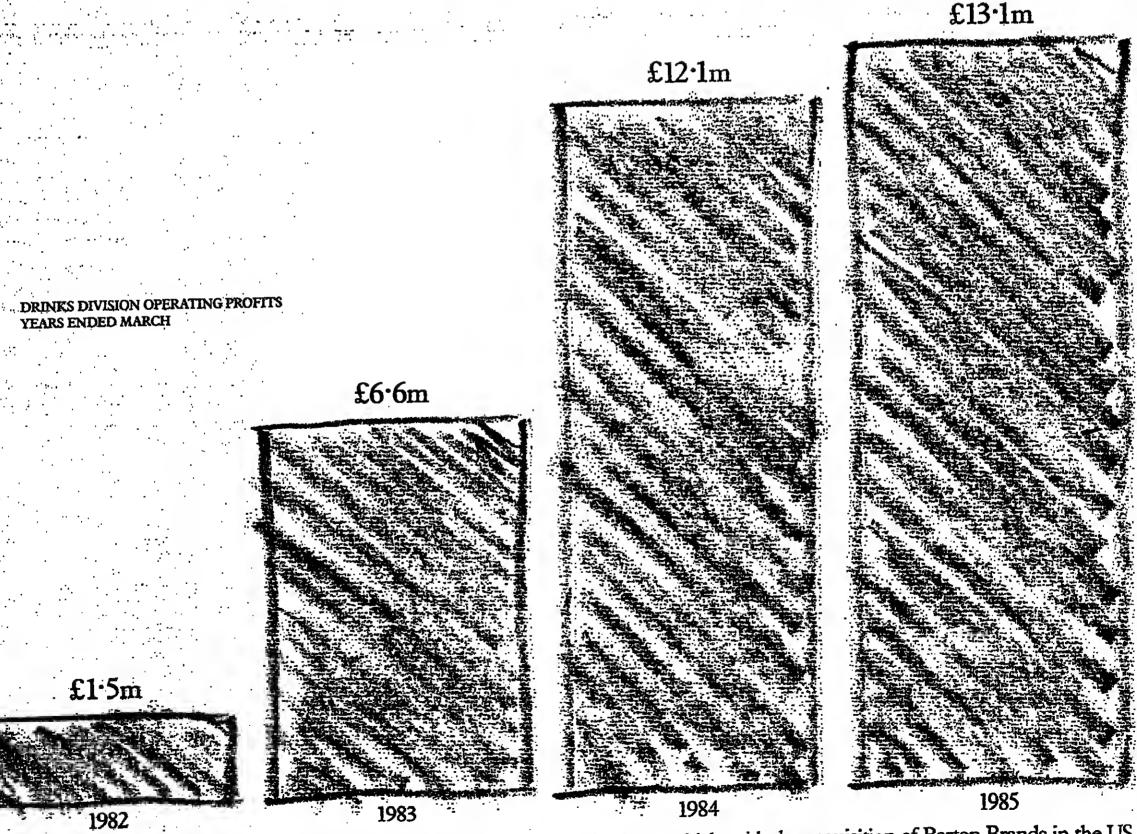
A young couple living in London got fed up with tripping aver the mats on either side of their bed and decided to sell them at Christie's. They turned out to be 19th cenjury

E30,000; David Roberts Holy Land, Egypt and Nubia, at up to £10,000; and a completa Description de l'Egypt, prepared hy Napoleon's advisers between 1809-30 and expected to sell for up to £20,000.

After its dismal experience trying to sell Goya's Morquesa laat week Christle's hopes for hetter luck when offering master, St Andrew, by Ribera, at New York on Wednesday. It is e striking masterpiece but and is modestly estimated at \$20,000-30,000.



A rather impressive bar chart from our drinks division.



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FINANCIALTIMES

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Monday April 14 1986

Gadaffi and the alliance

EN 1TS quarrel with Libya over position to do so, Europe would the sponsorship of terrorison not have had time to organise the US Administration seems to its disapproval. After all the have hoxed itself ioto an uncomfortable corner—on the one hand it is making statements and mobilising military forces which together speak eloquently of an atmost uccontrollable urge station process which has been set in virial richs heighten. to strike at the Gadaffi regime. On the other it is pressing its ing the political disagreemenl allies for a degree of support, between Europe and the US: or at least sympathetic acquifor if the Americans do consult allies for a degree of support, or at least sympathetic acquiescence, which is almost bound to he withheld. The member states of the European Community, the foreign ministers of which are holding urgent coosultations in the Netherlands today, should do everything using F-111 hombers hased in preside to dissuade the US. munity, the foreign ministers of which are holding urgent coosultations in the Nethertands today, should do everything possible to dissuade the US from intemperate military action but they should also seek options which could enable the US to back off without undue loss of face.

One may sympathise with the

One may sympathise with the Reagao Administration's rage against the Gadaffi regime for its international lawlessness; there may even he hard evi-dence of Libyan implications in

its military plans. Yet the con-suttation process which has heen set in train risks heighten-Britain; that is not what those aircraft are in Britain for and there is no plausible military case for using them, rather than the aircraft on the US carriers

Tighter security

On the other haod, the Europeans should seek to dissuade, or at least restrain, the US urge a very recent terrorist attack, the bombing of the Berlin disco; but a military attack on Libya cannot he the appropriate response. The US might wish to dress it up as legitimate self-sism. If there is evidence that military strikes do not determine the self-sism. If there is evidence that defence but it would in reality military strikes do not deter violate all the canons of ioter- terrorists there is also evidence national law. It could not distinct that tighter security and intellicriminate hetween the guilty gence and police co-operation and the innocent: it would can have a significant effect in alienate support from other, making the terrorists task more more moderate governments, difficult. Western governments, which otherwise despise the for reasons of inconvenience or otherwise despise the for reasons of inconvenience or Gadaffi regime: it could only weakoess have not gone as far increase the risk of provoking in this direction as they could yet more terrorist attacks. It and should. If the Lihyan could do no good.

Government is implicated in rould do no good.

The problem for the US is that it could face the worst of both worlds unless diplomacy succeeds in hammering out a compromise hetween the two halves of the Atlantic alliance. If Washington had gone ahead with a unilateral military strike against Lihyan targets just as soon as it was logistically in a discount citizens of threatened democracles.

Energy prices

WHEN CRUDE oil prices

try claims that, at present prices, it could save £500m a year—the equivalent of 5 per ceot off tariff rates—either by re-starting ils oil fired power stations or by negotiating a cut

lo coal prices.

The industry's desire to cut costs and tariffs is reinforced by its statutory duty to keep electricity prices as low as possible. But the Government has told it not to make the switch to oil for the time heing. Nor do ministers seem prepared to accept the full consequence of keeping coal prices competi-tive. A cut in the National Coal Board's prices from their present unrealistic tevels would pile up even higher deficits for the Board, pushing many more pits into loss and to the edge of

Strong competition

This has appeared to create a dilemma for ministers: a cut in electricity prices would merety place an increased hurden on the taxpayer through heavier subsidies to the coal industry. Although no final decision has been taken, this tine of reason-ing would tead to an absurd

very slack if coal and electricity prices are to be rigged with the encouragement of ministers. competitiveness of heavy industrial users against their foreign rivals.

WHEN CRUDE oil prices halved. British ministers were happy to lecture the oil companies for not passing enough of the benefit on to coosumers. The Government has been much slower to apply this lesson to energy lodustries which it controls.

British Gas, whose costs are partly linked to oil prices, has been told to raise domestic prices by an average of nearly 2 per cent, while electricity prices are due to go up by 5 per cent. In a free market the price of gas to domestic consumers would probably fall, and electricity prices might at least be stabilised. The electricity lindustry claims that, at present prices, ir could save £500m a

Moreover, the Government has been much has refused to talk about cutting has refused to talk about cutting. Whether there is any flexibility in the King's position will depend on the speed with which marginal producers are squeezed out of the market and the intensity of the external pressures on the Kingdom. Saudi Arabla has already witnessed in the past eight years the destruction of one of its would have a significant effect on the world's balance of supply and demand for oil and help to stabilise its price. In a free market the coal industry would try to resist such a devastating loss of Sales by cutting its prices.

It follows that the implication on the grounds that crude prices same market rather than by government than by government actions. Now these same market intensity of the external pressures on the Kingdom. Saudi Arabla has already witnessed in the past eight years the destruction of one of its would have a significant effect on the world's balance of supply and demand for oil and help to stabilise its price. In a free market the coal industry would try to resist such a devastating loss of Sales by cutting its prices.

It follows that the implication of the market and the intensity of the external process. Saudi Arabla has already witnessed in the past eight actions, which marginal producers are squeezed out of the market intensity of the external process. The forces Moreover, the Government

It follows that the implications of a large cut in coal prices should he accepted and electricity consumers given the maximum possible benefit. The owners of the coal industry— British taxpayers—must bear the increased losses just as if they were shareholders in a private company.

The Treat stumped A mole in the

An attempt to maintain the Coal Board's recent momentum towards hreak-even by holding up prices would he a pointless

exercise in cosmetic accounting. Higher losses wilt give the correct economic signal that the Coal Board must renew its efforts to rationalise.

market will he tempered hy a concern for the human costs of pit closures and the need to consider morate in the industry. It is right that this should be so.
Moreover, the electricity industry must balance its present
opportunity to cut costs against a very long perspective of its uced for British coal,

Some compromise is therefore necessary, but a fudge is not. The Government must resist ing would tead to an absuru
position for a Government its present temptation to rotte
which has so strongly proclaimed the virtues of free
claimed the virtues of free
Exchequer as an offset to higher
Exchequer as an offset to higher market competitioo.
One of its main justifications for the plao to regulate a privatised British Gas Corporation with a light hand was that gas is subject to strong comexcessive electricity prices. It petition from electricity and would distort the domestic coal. But this discipline becomes

Sunday shops

THE BRITISH Government's of anomalies. At present, it is Shops Bill, which would remove permitted to go to the cinema most of the remaining restriction. Sundays, but not necessarily rions on Sunday trading, has its to buy groceries. People can second reading in the House of huy more or less what they Commons today, having already want at an airport shop, but gone through the House of perhaps not in the local high major street. without amendments.

churches and others who want in some mysterious way to keep neither would it be sensible to Sunday different.

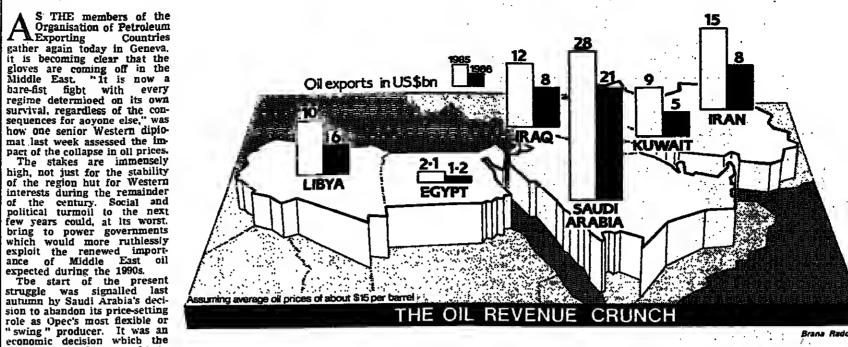
keepers to open nor individuals parties should support them to use the facilities, and that The Shops Bill is a thoroughly the state of the existing legislation is full tibertarian measure.

Such anomalies ahould be It is opposed by a curious the bill want Sunday trading. coalition of the shopworkers' to be abolished altogether, the union, some members of the should come out and say so. I waler down the hill with The opponents should bear in amendments. The Governmen. mind that there is nothing in should go ahead with its pro the bill that would compel shopposals and the opposition

THE MIDDLE EAST AND OIL PRICES

No butter to go with the guns

By Roger Matthews, Middle East Editor



recipient bas taken the cash and privately mocked the donor. Saudi Arabia will not altogether abandon its policy but with revenues this year one-fifth or less of their \$111bn level in 1981 its capacity to purchase friendship or deflect bostility is greatly reduced.

The one exception Saudi Arabia bas to make is that of Iraq, now in its sixth year of war with Iran and bard-pressed to keep at bay a committed enemy pledged to the export of Islamic revolution. The burden is large and shows little sign of ending. Since September, 1980, President Saddam Hussein's regime bas virtually exhausted the country's own reserves which then stood at nearly \$35bn and swallowed another \$30bn or more of Saudi and Kuwaiti aid. Saudi Arabia and Kuwait continue to sell 310,000 barrels of oil a day on behalf of the Baghdad Government.

The most conservative estimate of Iraq's bard currency requirement for the next 12 months is about \$12hn, divided roughly between essential imports and military equipment, while also assuming some re-scheduling of its foreign debt. If the price of oil averages \$15 a barrel during this period Iraq will still need an extra \$4bn in survival aid, the bulk of which can only come from Sandi Arahla with perbaps some additional Kuwaiti assistance. There will be no more butter to go with the guns.

Iran is no better placed. Its initial budget estimate had been for oil revenues this year of about \$18bn, a figure that will now bave to be more than balved, especially if Iraq maintained in the state of the state tains its attacks on Iranian shipping and oil facilities. At worst, this suggests iran may have to pare its essential imports to about \$4\text{bn}\$ if it is to retain the capacity to spend \$3\text{hn}\$ on armaments. Such action implies reserves.

The ping and oil facilities. At worst, tries most closely involved—

Iraq, Iran, Saudi Arabia and Kuwait—together sit on close to 60 per cent of the non
Communist world's proven oil reserves.

Further serious dislocation of the ping the way is the most serious dislocation of the ping the pi to sustain the credibility of Mr capacity to spend \$3hn on armatos Yasser Arafat's Palestine ments. Such action implies the Liberation Organisation. Each further serious dislocation of

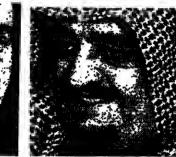
its industry and infrastructure potent external threat to the But it will not cause the Iranians to abandon their war alms. On the contrary, Ayatollah Khomeini bas recently called for yet more young men to make their way to the front.

The ever more fundamental damage being inflicted on both

conservative monarchies of tha Gulf, the domestic challenge is much less quantifiable. The modern Gulf nations have never experienced the depth of the

recession that is now looming.

If the collapse in their revenues this year can no longer be sustained through damage being inflicted on both economies makes a political "victory" of sorts even more imperative for the two regimes. In the short term at least, the war could enter a more desperate phase, with Iran growing increasingly bostile towards revenues this year can no longer be sustained through larger current account deficits, it must lead quickly to a sharper decline in imports—the Interperational Monetary Fund forecasts a fall of up to 40 per cent in their purchasing power



Egypt's President Mubarak and Saudi Arabia's King Fahd

the \$15 to \$20 range. But pro-viding that Iraq can withstand Oman has bethe further Iranian offensives this year, Iran's loss of revenues

Saudi Arabia and Kuwait, which it sees as the twin obstacles to the defeat of Iraq.

Its hostility will intensify the longer that oil remains closer to \$10 a harrel rather than in the \$15 to \$200 and the seed on individual remittances by Oman has been the first to

exercise leverage on London to modify its blunt refusal to cooperate with Opec on oil pro-duction cuts. But the scaling down of the order for financial reasons must be a possibility.

The unhappiness that correc-

The unhappiness that corrective economic measures will cause among the small indigenous populations of the Gulf unless it provokes damaging tensions within the ruling families, cannot be compared to the risks posed to reductions in living standards arising from similar cuts in larger urban similar cuts in larger urban societies. A great deal of fat can be trimmed from Gulf societies before the bone is re-vealed. They might even have to consider water and electri-city charges, fewer annual holi-days or, dare it be said, the introduction of income tax. There is no such capacity in countries whose balance of payments have depended heavily on a combination of remittances from the Gulf, aid donations and their own limited oil sales.

The worst case is Egypt. It faces alarming balance of payments problems later this year and will be forced either to reduce food imports or cut subsidies. The Government rightly fears the political consequences, but rather than take unpopular remedial action continues to hope that the crisis can be avolded. The US, which provides Cairo

with \$2.3bn a year in civil and military aid, is worried about

While the war is the most aircraft order from Britain to the para-miliary police, who had the futura price of oll.

been specially trained to handle riots, went on the rampage in protest at pay and living con-ditions. Over 100 people were killed, two luxury hotels des-troyed and a curfew imposed before the army eventually restored order.

The rioting may well have strengthened that hody of opinion within the US Administration which believes its aid investment would be best proinvestment would be been protected by encouraging a more decisive military leader to take power in Egypt, such as Field Marshal Abu Ghazala, the Defence Minister, who is also thought to he more keen than President Mubarak on military adventures in Lihya.

This attitude is indicative of a generally more assertive US foreign policy which has been encouraged by the diminution of Middle Eastern nil power, the serious divisions among the main oil producers and the Soviet Union's reduced capacity in provide economic help to 125 friends in the region.

Not only is South Yemen the only Marxist Arab regime, it is also probably the poorest. At least part of the reason for the recent fighting in Aden stems from the argument within the leadership over the idenlogical price that might have to he paid for attempting to attract deve-lopment funds from the Western-oriented states of tae

Such perceived weakening of the Soviet position in the region lends weight to the arguments of those in the White House urging more emphatic US action against "mad dogs" in the Middle East. It could be sim-larly utilised by Israeli hawks who helieve the time is ripe for a pre-emptive strike against a pre-emptive strike against Syria, the Soviet Union's single most important regional ally.

The warnings hy Mr George Busb, the US Vice President, that there was a danger of the vil price falling too low may have sounded sweet to some Sandi and Texan ears, but, as all the members of Opec now better understand, if will take concerted and determined action to correct the imbalance between supply and demand in the world oil market. And whereas the longest American political cycle is four years, Sandi Arabia is trying to en-sure that its key economic asset remains viable for at least the next century.

Mr Bush apart, there is a strong coincidence of interest siderations of a US Administra-tion looking forward to higher rates of economic growth and a Saudi Government attempting the further Iranian offensives this year, Iran's loss of revenues must eventually sap its capacity for war.

Though the industrialised world has rarely been concerned by the war, it is a sobering thought that the four countries most closely involved—
Iran, Iran, Saudi Arabia and is well also undertake with the industrial set of expanding the volume of its oil exports it has already devalued its currency, virtually problem and disappointed by to guarantee a strong future bis refusal to become directly for oil by keeping the price involved in military aid, is worried about tiour looking forward to higher rates of economic growth and mess to come to grips with the a Saudi Government attempting problem and disappointed by to guarantee a strong future his refusal to become directly for oil by keeping the price involved in military aid, is worried about tiour looking forward to higher rates of economic growth and mess to come to grips with the a Saudi Government attempting the price involved in military aid, is worried about tiour looking forward to higher rates of economic growth and mess to come to grips with the a Saudi Government attempting this refusal to become directly for oil by keeping the price involved in military aid, is worried about tour looking forward to higher rates of economic growth and mess to come to grips with the a Saudi Government attempting the price involved in military aid, is worried about tour looking forward to higher rates of economic growth and mess to come to grips with the a Saudi Government attempting the price involved in military aid, is worried about tour looking forward to higher rates of economic growth and mess to come to grips with the a Saudi Government attempting the price and finding a saudi Arabia and the price and finding a saudi tries will also undertake does not seize the initiative it suffering too many casualties design that Saudi Arabia is consign that Saudi Arabia is considering using its £5bn military when over 20,000 members of as economics in delermining the para-miliary police, who had

The Treasury

Kingdom had long sought to avoid hecause of the political

But with a current account

deficit close to \$20hn last year and worsening, remediat action

became imperative in order to check the serious erosion of

reserves and to ensure a more

secure future for the Kingdom's principal economic resource.

An average of eatimates by four hanks points to Saudi Arabia's official foreign assets

having dropped from a peak of \$140hn in 1982 to around \$85hn

at the end of last year. How-

ever this latter figure includes non-performing and soft loans of perhaps \$30hn, leaving ahout \$55hn readily available for

balance of payments support. Most people who ctaim to know Saudi Arabla well insist

that, faced by the prospect of liquid foreign assets being ex-hausted in two to three years, King Fahd cannot modify his staoce until other oil producers

—Opec and non-Opec—agree to share the burden carried by the Kingdom for the three years

up to last autumn. It also means accommodating Saudi demands

for a quota entitlement of up to 27 per cent of total Opec production.

A mole in the Treasury bas passed on an internal memorandum on exchange rates which surely deserves wider circulation. It shows that some original research is being done hehiod the classical portals of Great George Street. It may even explain the chancettor's residual worries about joining

"As you may be aware." It hegins, "I have for some time been convinced that the sterling In practice the rigours of the exchange rate is strongly influ-enced by England's performance at cricket." The memo-writer proceeds to prove it to his own

satisfaction.

After constructing an index of cricket performance in which a win against the West Indies would rate 10, hut a loss only three, white a win against Sri Lanka would not count, but a loss would rate -10 on the scale, he ran a correlation through his computer.

Instaot success. The exchange

rate and the cricketing index march together.

Quite good for a simple formula, and better certainly than any commercial forecast-



" That's about the same price as Italian nlonk in our off-

Men and Matters

ing model we know — although transaction will have better some refinements are still luck than his investment in Britain's stability with the

EMS would not necessarily depend upon something as tragile as Ian Botham's form,

The model fails, as such models usually do, in establish the direction of causality, other-wise known as the chicken and wise known as the chicken and egg problem. Just recently sterling has heen much stronger than the cricket factor. "It is not clear." the researcher concludes, "whether this means that sterling will shortly fall to \$1.20 — or that England will win the next six Tests after the present tour." present tour."

Home birds

Harnld Geneen, aged 76, the legendary ex-boss of ITT appears to have lost none of his passion for deals. He has now teamed up with

another old master-conglomer-ator, the ex-Norton Simon chairman David Mahoney, to make a \$500m bid for a group of bome improvement and speciality stores being divested by W. R. Grace, a chemicals group run by Peter Grace.

According to Mahoney, aged 62, the two men have got together specifically to do this deal with a third partner. Michaei Rosenthal, a Wall Street investment banker. "Harold Geneen bas been an

associate of mine for a long time," says Mahoney. "I bought Avis from him." The two men also know Grace, a pugnacious self-made businessman who recently headed an official inquiry into
US government waste, and

penteve to be 1825.

popular about 1825.

Its appearance is, well, let us came out with some aggressive views on how to cut spending in the Washington bureaucracy.

"This is a deal among peers,"

Ticor, the Los Angeles-based mortgage insurance company. couple of years ago. He said ac the time that be had made far more money out of his wheel-ing and dealing after retirement than ba ever earned as the architect of the massive deals which created ITT.

Since then, however, Ticor has gone decidedly wrong, facing potential losses of \$150m on policies issued to insure mortgages nffered by Equity Programs, a group which went into bankruptcy last year. As a result Ticor has

been told by regulators not to issue any new policies.

The Grace contract looks much more like the deals that Geneen and Mahoney are used to. They are acquiring a group that turns over \$2hn a year, and which includes aeverat specialist retailers, in a transaction largely financed by debt. Some analysts have suggested that Grace is receiving a handsome price for the business — although the value of retail assets have been hid up in the

US recently.
Naturally Mahoney does not agree. "At only \$30m over book value I think the deal looks pretty good," be says.

Stylish company

When I walked along Pall Mall. London, the other day with the Canadian write: Peter Newman our progress almost stopped the He was wearing a handsome

ever, Newman was making a ing, modest publicity point.

Hig history of the Hudson's Says Mahoney.

Geneen must be hoping this Bay Company, called Company

of Adventures (Viking £14.95) has just been published. And it was an insatiable European demand for the soft under fur of the beaver, to be turned into felt for hat-making, that founded the fortunes of

the company—and eventually the Canadian nation.

A frequent fate of company bistories is to he born in the enthusiasm of the chairman's entitistasm of the chairman's thoughts, to be conceived un-easily, and eventually to suffer death by neglect on the book-shelves.

Not so Newman's history, which has been written entirely which has been written entirely without the heavy breath of company censors on the work. After giving him the key to 68 tons of archives the company, which these days is principally in property, oil and stores, left him severely alone to get on with it.

New team

Hepworth Ceramic Holdings, a firm with a turnover of £366m last year, which is involved in heavy industry, has plans to put a young new management team m place during tha next few months.

Frank Sinclair Thomson, aged
43, is to be the Hepworth group
chief executive. He is leaving
a main board directorship at TI Group, and the chief executive's chair at TI's domestic appllances division to ait in the Hepworth driving seat.

Thomson is joining John Ansdell, aged 40, kepworth's finance director for the past year, who came to the group from Merck, the US drugs com-

Peter Goodall, aged 65, the present chairman and chief executive of Hepworth, says he is delighted that Thomson very young and very able" will succeed him. The sea change in the Hepworth board room will be completed later in the year when Goodall also hands over the group chairmanbeaver pelt top hat which I ship to Professor Roland Smith, believe to be The Regent style, the Harrods wizard, company

doctor, and academic. Hepworth has five divisionssay, slightly extravagant for workaday London in 1988. How-industrial sand, and engineer-

Observer

BASE LENDING RATES

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Exeter Trust Etd. 112%

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Robert Fraser & Ptrs. 12 % 5 Demand dep. 7.02%. Mortgage

attacks in Europe. One American aircraft carrier has been ordered to cancel its departure

knows, it may even happen before this appears.

Reasonable people may think that Col Gadaff had it coming to him. For too long he has been a disruptive and dangerous infinence in the world. American arguments that his regime has had a hand in recent terrorist attacks are inherently plausible—in the case of the killing of WPC Yvonne Fletcher in St James's Square in 1984, there was no shadow of doubt: now the US claims to have clear (or fairly clear) evidence of Libyan involvement in the recent bombing of a Berlin disco. But to go on from there to argue that

edule

- E-:

Washington," said an American official who must remain anonymous. President Reagan has branded Colonel Gadaffi the "mad dog of the Middle East," and has dropped a heavy warning that the US may take military action against Libya as punishment for recent terrorist attacks in Eurone. One American ordered to cancel its departure from the Mediterranean, another has been ordered to cancel e visit to a French port. Following the aktimish between US and Libyan forces in the Guif of Sirte last month, it looks ominously as though the Administration is gearing up for another opportunity to give the Libyans a bloody nose; who knows, it may even happen before this appears. Reasonable people may think

claims to have clear for fairness the windingment and the short proposed to the property of th



specific charges, only nine were mented Palestinian groups terrorists, and other sponsors to act against terrorism without General of Nato, has said that classified as categoric violations; which engage in terrorism; but in the Arab world might surrendering basic freedoms or there would be a "very great the other half were classified they are hard to identify or respond with more intense "possible violation," "smbiguous" and the Shi'tte groups, but the same primarily egainst American like, The epistemological probabile.

The curious thing is that the consistent response is virtually rism sympathy, perhaps; but they are hard to identify or response to act against terrorism without General of Nato, has said that surrendering basic freedoms or there would be a "very great endangering democratic values. Because acts of terrorism Alliance for US retallation, it came up with evidence of jurisdiction and motivation, Libyan involvement in terrorism without General of Nato, has said that surrendering basic freedoms or there would be a "very great endangering democratic values. Because acts of terrorism activity, egain was activity, egain terrorism without surrendering basic freedoms or there would be a "very great endangering democratic values. Because acts of terrorism activity, egain was activity, egain terrorism without surrendering basic freedoms or there would be a "very great endangering democratic values. Because acts of terrorism activity, egain activity, egain was activity, egain terrorism endangering democratic values. Because acts of terrorism activity, egain terrorism without surrendering basic freedoms or there would be a "very great endangering democratic values. Because acts of terrorism activity, egain terrorism endangering democratic values. Because acts of terrorism activity, egain terrorism endangering democratic values. Because acts of terrorism activity, egain terrorism activity, egain terrorism activity, egain terrorism activity. Because acts of terrorism activities and activity activities and acti

rism. Sympathy, perhaps: but not much approval. The US em-bassy in London received a lot of mail after the recent clash in the Gulf of Sirte, and almost all of it was critical; not our of support for Gadaffi, but because of the risk that it would pro-vuke another round of terrorist attacks.

In general, US military muscle-flexing in response to terrorism looks disturbingly like yet another manifestation of the current mood of belligerency in Washington, But those who would criticise it in particular should reflect that it may also be an exasterated response to the follows. perated response to the failure of the civilised world to take strong enough non-military measures. The UK kicked out measures. The UK kicked out the Libyan People's Burean after the shooting of WPC Fletcher; the French, the Germans and others could usefully follow suit. We need tougher alroort security, even if it is inconvenient for air travellers. We need more rigorous scrutiny of visa controls on suspect nationalities. If governments balk at the inconvenience of coherent action, less coherent action may be taken by particular interest groups: just as the Western ings he is the first to lecture a better environment—2t the convenience of coherent action, less coherent action may be taken by particular interest groups: just as the Western hanks imposed the sanctions on South Africa which Mrs Thatcher had resisted, so we may be reduced to reliance on a potential boycott by airline plots of countries which support terrorists. If we do not like American machismo, and if we want to arrive alive, we must use other methods.

In set of first to lecture the first to lecture the Japanese on the need for macroeconomic reforms to promote time.

In retrospect, it seems clear that the limits of governmental action and remind societies that the market does impose some economic constraints. Now that this message new thrust in economic think-ing. In fact, the change was ready to move on from evident even without hindsight. Thatcherism to Bakerism. The am FT leader exactly a year market is still all-important. It is now an indispensable must use other methods.

Lombard

The new creed of Bakerism

By Anatole Kaletsky

Three interpretional exercises

Curiously, Mr Baker's personal prominence has tended to obscure the true significance of the changes which are taking place.

As a loyal servant of President Reagan's, Mr Baker has deliberately downplayed the contrast between the theory of Reagonomies and the practice of Bakerism. Even more

Three international events in

recent weeks have unmistak-ably underlined the new trend. The first, ironically, was a res-The first, ironically, was a response to what may be the last great pyrithic victory of international market forces—the collapse of oil prices, which had US Vice-President George Bush calling for Saudi efforts to stabilise the oil market. A few days later there was the smooth and successful realignment of the European Monetary System — the most convincing proof to date that governments can rule the foreign exchange markets if they below the properties of the successful reality. However, is less simplistic and more loteresting. The world's economic ideas do not automatically come with a

they behave in a co-operative and reasonable manner.

Finally, there was last week's faire which now appears to be

decision by the IMF Interim Committee in Washington to set and monitor "objective indicators" for growth, inflation and monetary and fiscal policies in the major industrial coun-

tries.
It seems that nobody in Washington even thought of suggesting that all such mittatives were heretical and doomed to failure; that "the magic of the market," left unaided, would reconcile divergent inter-national policies in the best possible wey. As for the theory that governments are powerless to influence their countries' growth rates through demand management - even Mr Nigel Lawson now reserves this fetalism entirely for domestic con-sumption. At international meet-ings he is the first to lecture the Japanese on the need for macroeconomic reforms to pro-

of Bakerism. Even more importantly, the world's un-shakable belief that America dominates the international economy in its own interests, has produced a general cynicism about what is going on. Market forces were en-couraged as long as they worked in the US interest; as soon as the markets turned

The reality, however, is less simplistic and more loteresting. The world's economic ideas do not automatically come with a Made in America label. The waning was rightly identified around the world with Mrs Margaret Thatcher even more than with President Reagan. If the whole world is now edging away from laissez faire, It is not just because Mr Baker is pushing in that direction.

Most of the industrialised countries have reached the point where laissez faire has served its purpose. All over the world, Thatcherism was introduced as an antidote to excessive expectations. Govern-ments bad managed for 20 years to maintain full employ-ment. But they were being called upon to produce too much else—rising living standards, higher pensions, greater equality, more leisure, a better environment—at the

Schooling standards

From Professor S. Prais Sir,—Michael Dixon is right (April 10) to look abroad for lessons in schooling efficiency but what he says on Germany needs to be amplified.

The curriculum and the distribution of the school timetable nong various subjects is centrally prescribed for each type of school in each Land; there is also a list of approved text-books for each class which covers the prescribed curriculum for that class—and a fair choice of texbooks is available. In England none of this applies; and the school-leaving examination is the sole device available for influencing—and then only to a limited extent—whet is taught throughout the 11 years that a child spends in compulsory schooling.

Pupils not reaching pre-scribed attainments at the end of each school year in Germany are required to repeat that year. Here, on the other hand, there is eutomatic promotion from one class to the next. This leads to greater variability of attainments; and to greater difficulty in teaching.

In most Länder centralised external leaving-examinations comparable to our O-levels are set for Realschulen—the schools catering for the middle range of ability. For pupils below that level of attainment (leaveners of the comparable of attainment (leaveners of the comparable of the comparab corresponding to our CSE and below), centralised written tests are set in Baden-Wurttem herg and Bavaria-and with herg and Bavaria—and with for examinations at Gymnusium schools (catering for university-entrants) that it is wholly correct to say that they are act internally by each school; but it is precisely for the corresponding category of pupils in England, with their externally-set A-level examinations, that set A-level examinations, that attainments in England are geoerally regarded as superior to those in Germany.

48

I agree with Michael Dixon in doubting whether the new GCSE will wholly solve our schooling problem. But the reason—in my view—is not that we can manage without external examinations, but rather that merely changing leaving examiwill not go far enough towards ensuring efficiency in teaching et younger ages. (Professor) S. J. Prais.

National Institute of Economic and Social Research, 2. Dean Trench St., SW1.

The needs of a nation

From Lord Grimond Sir,-It is nice to know that the FT still bas, in the person of Mr Prowse (Lombard, April 7), a representative of the pure

Letters to the Editor

stream of hard-nosed capitalism. The difficulty which protago-nists of this now face is that it cannot meet the needs of a nation which wishes to en-courage efficiency, unity, or a reasonable degree of equality. It is no wonder that in the face of what is going on around us, where the rich are growing us, where the rich are growing richer and the poor relatively poorer, there is a growing demand for a new form of economic organisation based on co-ownership and co-operation

24 Priory Avenue, W4.

Bengal Bay scheme - ·

From Mr G. Ford MEP. Sir,—John Elliott (April 2) added further to recent reports that India was planning to open

up its remote tribal islands of the Andamanns and Nicobars as a kind of ersatz Hong Kong. This scheme is misconceived. These islands are just not suitable for such hyper-develop-

suitable for such hyper-develop-ment. The current airbort at Port Blair is well below inter-national regulation length for large jets and because of its position unsuitable for expan-sion. The power supply comes from wood-burning power stations as coal deliveries can-not be guaranteed and no infra-structure exists outside of the structure exists outside of the capital on the main island, let alone elsewhere.

On these islands are the last of the world's native tribes still totally isolated from civilisation the Jarawas. The fate of many of the other tribes who have "benefited" from the civilising influences successively of the British, Japanese and Indians is demonstrated by that of the Great Andamanese whose population has shrunk from 5,000 in 1801 to 27 today and now face

The islands geographically, anthropologically and culturally are not part of India. They are the flotsam and fetsam of Britain's decolonisation and are attached to Indian by an accident of history. Let India respect that trust. There are a market of continuous transfer of arithble locations in plenty of suitable locations in India where \$5bn of investment would do more for Indian develor nent than an attempt to rebuild Hong Kong in the Bay of Bengal resulting in the destruction of the islands under such an ultimately abortive

Glyn Ford. 3 Market Place,

Land and Range Rovers

From Mr J. Moulton
Sir,—Mr Phillip Oppenheim
MF (April 2) makes e number
of points about Land Rover that.
require comment and cor-Land Rover, and also Range

Rover, are not to use his words "struggling to find a niche" in world markets. These products have a long and well established position in those sectors of the market that require vehicles that will cross difficult terrain better than any other; carry higher payloads or more pas-sengers than others; last longer than other models; and that will, through Range Rover, deliver an all round level of performance unmatched in style or panache by any other vehicle. It is these features which provide Land Rover with a cost of ownership which is very com-

Mr Oppenheim offers no evidence to support his con-tention that Range Rover "is unlikely to do well " in the US Range Rover already sells well in the UK, in Europe, in the Middle East and in Australia. It Middle East and in Australia. It has a well defined position as a luxury 4 x 4 product. This is widely ecknowledged in the automotive industry, as evidenced by its sales growth record and is well recognised by potential customers and dealers in the US.

It is true that Japanes it is true that Japanese manufacturers heve developed lighter duty, cheaper products and that these have expanded overall sales of 4 x 4 vehicles. The present trend to 4 x 4 drive lines on cars as well as on/off road vehicles will expand the overall 4 x 4 sector still further. Many each products are nur-Many such products are pur-chased as car substitutes — some even ere purchased as Land Rover substitutes. Whether they actually provide better value over time, despite their lower initial purchase price, is an issue that will depend on users' requirements and per-ceptions. But it can be said that Land Rover (and Range Rover) unit sales in the UK have increased in recent years and that the company remains the dominant supplier in an

expanding market for 4 x 4 Mr Oppenheim claims that
"the range desperately needs
modern petrol and diesel
engines to replace the 30-yearold four cylinder units." Land
Rover has made (in the past two years) significant improve-ments to its engine range. All

the engines presently deliver first-class off-road performance (this is one of their strengths) and significant progress has already been achieved in improving on road performance. The company has a major programme of further develop-ments in band and the buy-out provides funding for these,

The fact of the matter is that GM does not possess a strong commercial vehicle fran-chise in Europe. The best immediate prospect of promoting Freight Rover and, for that matter, Leyland Trucks sales in Europe probably rests with the marketing agreement recently reached with DAF Trucks. DAF already possesses an established commercial vehicle distribution and dealer network in the major European markets. GM would heve depended upon that agreement as much as BL if it had been soccessful in its ecquisition attempt.

GM has alreedy (during 1985) epproached MAN in Germany and ENASA in Spain without reaching agreement on an acquisition. Neither of these GM initiatives involved acquisition of a 4 x 4 business
This makes GM's insistence on
one in the UK, as the coodition
of a deal with Leyland Trucks, somewhat puzzling.

I remain of the view that a Leyland Trucks-Bedford merger would be beneficial for the UK truck industry, so it need not be the only future for Leyland Trucks. There are alternatives to be explored and parties interested in exploring them. Jon Moulton, Schroder Ventures. 5 Queen Street, EC4.

Shock-horror and conservation

From Mr J. Walford Sir,—Lest readers mistake the shock-horror-drama element in the title of your otherwise excellent review (April 5) of the Domesday exhibition at the Public Record Office for the elleged horror of conservationists at the rebinding of the two. Great and Little, Domesdays into five volumes, may I he permitted a few words on the subject? subject?
The decision to rebind in

slimmer volumes was taken only after extensive consul-tation with conservators who were all but uoanimous that it was the tightness necessi-tated by binding so many leaves in two volumes that was responsible for the slight abrading of the text along some of the inner edges of the leaves. In these circumstances it seemed pedantic to continue rather than presumptuous to change e tradition for which there is little contempor ary justification.

(Press Officer)
Public Record Office. Kew, Richmond, Surrey.



ROFIT FROM AWIDER VIEWPOINT.

Sadly, it isn't possible to read the future

Which is why you should read The Wall Street Journal/Europe. . You'll find it strikes a balance between the expected and the un-

Between the hot news you'd expect in Europe's leading daily

business publication, and the cool judgement and analysis

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But it's no surprise that as

a whole, The Journal's readers are more successful in business than the readers of any other daily publication. Could it be that

they've found a way to read the future?

GO STRAIGHT TO THE TOP

THE WALL STREET JOURNAL

LUROPE

Construction Refurbishing Management 01-377 2500

Terry Byland on Wall Street

Healthcare provides a remedy

IN A STOCK MARKET looking increasingly choppy despite last week's strong rebound. Wall Street specialists are looking harder than ever for companies with more to offer than somewbat elusive "potential benefits" from the slide in world oil prices and US interest rates.

The downside aspects of lower oil prices and the continued sluggishness in the economy have kept the heavy industrial sector under a cloud. The unwillingness of the market to respond on Friday to an upbeat trading statement from IBM has underlined its failure to make any significant progress over the past month. A cut in the discount rate, while welcome enough, may prove a damp squib in a stock market which has had too much time to prepare itself for the event.

The search for genuine growth stocks is one reason wby the major blue chip issues bave languished. The big city retail stores, for example, pushed sales ahead by 7 to 10 per cent in the first quarter despite the general slowness of national retail sales. After a lengthy period of disfavour in the stock market store sbares turned bigher last week

A similar trend is beginning to show itself in the health care and bospital management stocks, which fell from grace last autumn, just when the rest of the market was girding itself for its massive up-

The shakeout in the sector largely reflected the downswing in bospltal admissions as the federal government's 1983 revised Medicare provisions took effect. There are signs that the fall in bed occupancy is steadying, and that the better managed groups have successfully reduced dependency on federal spending and moved themselves towards health maintenance organisabons (HMOs), to psychiatric or nursing home care, rather than the long term surgical services which proved a target for the federal government's attack on Medicare costs.

Charter Medical, still suffering from the loss of the major bospital management contract in Saudi Arabia, bas moved quickly to reduce its beavy involvement in general acute care bospitals. Its bed ocper cent to 42 per cent hetween 1980 ony. Its sales to the UK were worth about £132m (\$194m) in 1984, about took affect beauty farmer colleges. took effect, have leveled off. At the same time the group has vigorously pursued its expansion into psychiat-ric nursing which could provide substantially more than half the \$48m profits expected for 1986 by Wall Street analysts.

But the stock market with so many more exciting sbares to follow since the beginning of the year, still awards a low rating to Charter and to most of the other medical care stocks. Among the fully-fledged HMOs, noly Healthamerica bas been able to maintain the pre-mium commanded against industrial stocks only 12 months ago. The opening quarter of this year saw Healthamerica stock rise 19 per cent but Maxicare and Healthcare USA were unable to keep pace with the 13 per cent gain in the Standard & Poor's 500 stock index.

HMO groups and, therefore, their earnings, depend theavily on their success in building up new enrollments of insured members who then become potential patients. Once the enrollee has joined, either as a private individual or as part of a corporate scheme, his use of medical services can be closely cost-controlled and monitored.

Healthamerica tops the league table with an estimated 850,000 enrollees followed ty Maxicare with 785,000 and Healthcare USA with

At Drexel, Burnham Lambert Mr Peter Sidoti rates the HMOs in terms of market value per enrollee which measures the number of enrollees against the share price, equity capital, detit and working capital. By this complex yardstick Healthamerica's enrollees are valued by the market at \$410 apiece. compared with \$825 at Maxicare.

The same measuring stick, when applied to the two most recent ac-quisitions in the HMO industry, suggests that newcomers see significant growth opportunities. Travellers Corporation paid around \$1,700 apiece for the 20,000 enrol-

ellers Corporation paid around \$1,700 apiece for the 20,000 enrollees of the two HMO operations hought from Whittaker Corporation in Fehruary.

Maxicare still trades just below its 52 week high although Wall Street expects earnings to leap by around 40 per cent this year as it leads the HMO advance into New York – potentially the most profitable market in the nation.

Profit potential on this scale is hard to find in the US stock market laws.

hard to find in the US stock market just now, notwithstanding the enthusiasm over lower oil prices. If the Dow average continues to consolidate, then investors will have to look outside the blue chip sector for growth - and perbaps for safety as

UK will not retreat on ADR tax

BY ALEXANDER NICOLL IN LONDON

Chancellor of the Exchequer, has tary Fund meetings in Washington, dented the bopes of British compassid it was important for him to nies and of stockbrokers on both sides of the Atlantic that he will amend the 5 per cent charge he placed in last month's budget on conversion of British shares into American Depositary receipts

He has for the first time made it clear, thowever, that the tax was specifically aimed at preventing British investing institutions from avoiding stamp duty by trading UK company shares in the New York market

The tax has aroused fierce criticism as a protectionist move hipdering foreign investment in Brit-ain. ADRs - US securities representing shares in foreign companies - bave been actively traded in New York, Many US investors prefer to buy foreign shares in US-list-ed, dollar-denominated form, and some are barred from buying foreign-registered sbares.

Mr Lawson, speaking at an Eco-nnmic Club of New Ynrk dinner af-

BY ANDREW GOWERS IN LONDON

over New Zealand's vital butter ex-

The quantity of butter that New

Zealand is entitled to sell to the

Community - almost all of which

goes to the UK - in 1987 and 1988

under a bye-year agreement is up for negobation later this year.

related to a wider diplomatic row

with New Zealand, has made clear

that it wants the country's EEC

sales quota scrapped to the alarm of

Mr Michael Jopling, the British

Agriculture Minister, plans to raise the Issue when he meets Mr Fran-

Mr Jim Graham, chairman of the

discuss the issue at top-level meet-

ings in Brussels, Paris and London this week.

per cent of its total export earn-

ings and 23 per cent of its agricultural export earnings.

Continued access for New Zea-

to join the Community. Sales have

since declined along with an overall

Britain and New Zealand.

part, in Paris today.

ports to Britain.

MR NIGEL LAWSON, Britain's ter last week's International Moneprotect the estimated \$900m revenue from stamp duty after halving it from I per cent in the budget. Without the new charge, be said, there remained an incentive for

British investors to execute their orders in New York. "I am perfectly happy for them to do that, tut if they are gning to do that they have to pay a season tick-et. That is the thinking behind it."

Mr Lawson said US investors were more than welcome to trade UK sbares in London, though he noted that federal and state laws prevented some US institutions from doing so. "I regret that, and I bope that you will in due course remove that legislation," he said to applause from his New York audi-

Mr Lawson's remarks could spur lobbying on suggestions finated in London that the ADR tax be amended so that it penalised only UK institutions which traded in the New York market, and nnt US in-

France wants New Zealand's

This year, for example, New Zea-land is entitled to supply 79,000

toones to a UK packet butter mar-

ket estimated at between 220,000

and 300,000 tonnes; this compares with New Zealand sales of 132,000

tonnes into a total market of about

New Zealand is theoretically

guaranteed a quota allocation at

least until the end of 1988 under a

deal struck two years ago. But at Ir-

ish insistence that agreement left open the quantities New Zealand

was to be allowed to sell in 1987 and

1988. The European Commission is

August. Now, however, matters have been

taken by France's new right-wing

administration. Mr Guillaume, who

used to bead the main French farm-

"We cannot accept that sacrifices

made by producers are aggravated

by substitute products (margarine) and the continuation of butter im-

was obtained in a bard-won agreement during the UK's negotiations in Wellington and London that ain, it would be forced to offload

France's bostile stance is related to

its diplomatic row with New Zea-

EEC butter quota scrapped

Zealand's quota

POLITICAL trouble is looming be-tween New Zealand and the EEC mindful of the European dairy sur-plus - have sought to reduce New

The new French Government, 400,000 tonnes in 1973, the year of

cois Guillaume, his French counter- due to table proposed amounts by

New Zealand Dairy Board, will also further confused by the tough line

Butter is economically important ing organisation and has vowed to

to New Zealand, and significant in defend farm incomes since taking

the close political relationship be-tween Britain and its former col-last week that New Zealand's quo-

land to the British butter market ports from New Zealand," he said.

however, in a move which may be British accession to the EEC.

vestors. Such a concept would be market is further hampered by unproblematic, bowever, because it certainty about whether the camwould give foreign investors in UK shares more favourable tax treatment than domestic investors.

Last week the chairmen of 11 British companies argued in a letter to The Times that the new tax would "provide both a financial and a commercial advantage to the foreign competitors of British indus-

"It is an illusion to believe that any significant increase in volume of foreign investment will be made directly through the London market," wrote the chairmen of Imperial Chemical Industries, Consolidated Gold Fields, BOC, Cadbury Schweppes, Jaguar Glaxo, Hanson Trust, Reuters, Shell Transport and Trading, British Telecom and Bowater Industries - all companies with significant amounts of equity in ADR form.

Liquidity in the ADR market bas fallen substantially, with virtually no new ADRs issued since the budget no March 18. Dealers say the

soned two French intelligence

agents implicated in the bombing of

the Rainbow Warrior, a ship sent by

the environmental group Green-peace to thwart French nuclear

France bas since been restricting

imports including wool from New Zealand, apparently as part of a

campaign for the return of the

"The French position has got us worried sick," admitted one New Zealand diplomat. There's no clear

"We're going to have a hell of a fight on this one," added a senior

A strong lohby is also being

mounted for reduction - and possi-bly eventual abolition - of the New

Zealand quota by the British dairy industry, which is itself dogged

with beavy excess capacity. The Milk Marketing Board, which rep-resents dairy farmers, and the Dai-ry Trade Federation, representing

airy companies, are working on a

They argue New Zealand's share

joint position to press on Mr Jo-

pling during the next few weeks.

grown inordinately as UK butter

consumption has sagged - a claim

which the New Zealanders dispute.

Mr Graham of the NZ Dairy Board,

is likely to argue that if New Zea-

more butter on the surplus-ridden

world market, increasing competi-

tion for the EECs own expensively

testing in the South Pacific.

prisoners

way out of it."

British official.

paign against the tax will succeed

in getting it changed.
Some US brokers are advising clients to sell ADRs simply because removal of the tax would cause disappearance of the premiums now built in to New York prices to reflect the tax. The brokers' advice is to buy the cheaper UK-registered stock, and then to convert it back into ADRs if the tax is changed.

Although they oppose the new tax some US dealers regard it as part of a trend away from the ADR market and into shares registered abroad as Americans become more familiar with foreign markets and invest more abroad.

"The ADR in three years time will be a facility used by the retail client whn doesn't have access to the registered share market," said one senior trader last week. "Many US institutions are accepting that it is better to own foreign-registered sbares in bome currencies, and are finding foreign shares to invest in that do not come in ADR form."

rand et Cie for FFr 455n command a value of roughly FFr 150bn four years later. Of the seven national-ised industrial groups, only one made a profit in 1982; in 1985, only one is likely to have shown a loss. Rhone-Poulenc, the chemicals group, declared losses of FFr 787m for 1982 and last week reported profits of FFr 2.2bn for 1985.

THE OPEC ministers' conference

to restore prices.
Saudi Arabia, Kuwait and the

United Arab Emirates are still adamant that nothing can be achieved without the collaboration of non-

for deep cuts during the second quarter to a collective total of 14m to 14.5m barrels a day (b/d), compared with an actual rate of nearly 17m b/d in the Jamuary-March peri-

clear that Opec could not compromise on any reallocation of output probably need a level of 18m b/d to

there have been two beartening de

stalemate over cuts in output

resumes tomorrow with little hope of reaching agreement on the dis-tribution of nil output cuts sufficient

UK and Norway.

Delegations dispersed from Gen

od. They do not appear to have

strike any sort of hargain.

Since that meeting, however velopments for Opec.-

One has been the strike by catering staff in the Norwegian sector of the North Sea, which has eliminated for a while one source of supply and provided a stimulus to prices in the process.

Opec faces

Opec producers, particularly the Mrs Thairher. The Government's eva after the March 24 meeting was adjourned to consult their heads of as FFr 200bn in today's market.

state and governments on proposals | That is admittedly no more than a reached an accord. The session in March made it

quotas less than the ceiling on collective production of 18m b/d which ity in the National Assembly and

THE LEX COLUMN

Privatisation à la Française

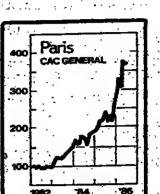
When the newly elected Socialist Government wrote out cheques for a string of French industrial and financial companies in February 1982, shareholders were privately amazed at their good fortune. The Government ended up paying a substantial premium to the market values ruling even before the election. Yet the nationalisation programme has turned out to be a bugely profitable exercise in state capitalism.

The assets acquired by Mitter-

The Socialists cannot claim all the credit for this reversal. Supported by annual productivity gains of almost 5 per cent, most of French industry - Renault and the steel sector are conspicuous exceptions showed a surge in profitability un-der the Socialist administration. Michelin, which stayed in the private sector, lost FFr 4.2bm in 1982 and last Friday reported 1985 profits of FFr 1bn. On the bourse, the CAC General Index, established at the end of 1982 with a base value of 100, bit a new peak of 375.9 exactly

a week ago. The sharp rise in equity values is administration of Mr Jacques Chirac, which has committed itself to a privatisation programme at least as ambitious as that undertaken by saleable assets, which include the big three commercial banks nationvague estimate as the accounts of French nationalised groups make the financial stafements of their British counterparts look a model of clarity. But a more conservative figure would still represent a daunt-ing challenge to an equity market-which is capitalised at no more than

FFr 500bn. Nor is time nn Mr Chirac's side. The administration's narrow major



Equity bug

low Mr Chirac the luxury of longterm planning. President Mitter rend is not surprisingly rather cool on the privatisation idea and has insisted that he will not permit the Government to denationalise by decree the banks and insurance companies brought under the state um-

brella after the war. The Government can pass enabling legislation through the Nathe Paribas and Suez investment ing in the autumn. But the financial maintained that the privatisation state groups, present shareholder, market - and in gold, of which the as the nationalisation terms were to French population owns a hand the then shareholders. While the some 5,000 tonnes or so. Paris market is not extravagantly priced - the historic p/e of 15 should

nation of the franc, inflation should not be quite as forbidding as they run at an average rate of no more first appear. than 2½ per cent this year, while In the case of Total, for example, the trade account muld reverse the Government could surrender from a deficit of FFr. 24bn to a survoting control simply by cancelling plus of the same order and GNP the double voting rights of its existgrowth may accelerate to around ing equity. No one in Paris pretends 2½ per cent. But, however solid the that privatisation will be easy but.

To make matters worse the trade union movement can be expected to mount a vigorous apposition, while the Government will be unable to replace the chief executives of the state-owned groups without Mr Mitterrand's blessing. Although the industrial companies are now sport-ing commercial balance sheets, the three big hanks could not be privatised without a substantial injection of capital Their free capital ratios are reckoned to be not much above 1 per cent, compared with an inter-national norm of 4 to 5 per cent.

Yet the obstacles should not be

insuperable. The effective abolition of exchange controls and the promise of a tax amnesty should produce a substantial flow of savings back into France ready for investment in the bourse. French investors have already got the equity bug - the pro-portion of household savings invested in securities has almost quadrupled to 30 per cent in the last eight tional Assembly but that will take years—and if the Government even more time. Mr Chirac's advisors are comes close to its goal of eliminaters. years - and if the Government even privalely expressing confidence ing all but the debt servicing elethat the first companies - possibly ment of the budget deficit over the next three years, the institutions banks - should be ready for launch- will have room to weight their portfolios towards equities. The Governmarkets are looking towards early ment may provide incentives to enext year. Mr Mitterrand has also courage a shift from investment in debt - the French bond market is erms must be as generous to the three times the size of the equity

The Government can be expected to retain a minority interest in the fall to 11 or 12 on 1986 earnings - it privatised groups - 33 per cent con-does look vulnerable to a setback. fers an effective right of veto - arc Takeover rumour is almost as to invite foreign investment in the rife in Paris as it is in Landon and market. Given that many state comthe market has so far been broyed papies have already issued a bewing by foreign brying, which has dering array of non-voting paper, evaporated at the first sign of trouble in other continental markets. Even allowing for the recent deval- the logistics of privatisation may

economic bedrock, there is simply as London has shown in the past no way of telling how the Paris five years, there is always a marke:

Gadaffi 'plans more attacks'

Continued from Page 1

ment. One official regarded it as an attempt by the Libyan leader to warn the West, including the US, of possible dangers to their citizens in the event of military action.

Litya is heavily dependent on a relatively large foreign workforce to operate and maintain its oil sector. Oil accounts for almost all its export earnings - which bave dwin-dled from more than \$20bn in the early 1980s to about \$8bn last year.

Col Gadaffi, who was reportedly grim-faced during his interview with the American reporter, said Litya tiad information that the US had targeted military bases and nil

The British Government has warned the 5,000 or so British cibens in Libya ni the dangers. "It follows that, in a period of rising tension the British Government would expect British citizens to review carefully the advisability of their remaining in Libya," a Foreign

fall in UK butter consumption and land last year. This erupted when tion for the EEC's can some other EEC countries - the New Zealand authorities imprisubsidised exports. EEC seeks joint stance

Continued from Page 1

either agreed to or rejected a request from President Reagan that US military aircraft on Nato bases in Britain should be used for an air strike against Libya, were dismissed thy nfficials as pure

Although the British Govern-ment, which no longer has diplomatic relations with Libya, basically supports President Reagan's an-ti-Gadaffi stance it believes that the consequences of any military

action must be carefully weighed. Quite apart from the risk that such a move might trigger a new wave of terrorism, Britain is anxious not to endanger the lives of some 5,000 British subjects working

The Italian Government, which expressed alarm at the weekend at the prospect of a military conflict between the US and Libya, is particularly concerned that US and Nato bases in southern Europe targets in a retaliatory wave. Mr Giulio Andreotti, the Italian

Reports that Mrs Thatcher had end that Italy's desire to achieve a peaceful solution of the US-Libvan

> on a sense of responsibility for the 10,000 Italian technicians and businessmen working in Libya. stressed that the battle against terrorism was a fundamental element of Italy's foreign policy.
>
> The French and West German

quarrel was based not on fear but

Governments were also both believed to have counselled ceution on Gen Walters during his talks in Bonn and Paris. Herr Hans-Die-tricti Genscher, the West German Fnreign Minister, is due to fly to Washington after the EEC Foreign Ministers' meeting in The Hague to-day, for talks with members of the US Administration which are now expected to be dominated by the

Although West Germany was af-

to own road

US sticks

Continued from Page 1

15 per cent increase in American travel this year following a rise of 25 per cent in 1985.

Even so, the Europeans concede it will be virtually impossible to match last year's record 6.4m visiare preparing for a shoot-out on the transatiantic routes. It could be one of the toughest years ever for the carriers, who have geared up their capacity to cope with a boom in transatiantic travel from the US which started in 1982.

With the number of American since then, the European industry has enjoyed a bonanza, pushing up Within that total, the UK receives fected at least as much as the US by by far the most - \$1.2bn in 1984 - the blast in the Wast Berlin disco- and this year, when the competition theque earlier this month, Bonn re- will grow tougher, it is Britain that would become Col Gadaffi's prime mains strongly opposed even to the has come up with the trump card, use of economic sanctions against There is nothing like a Royal wed-Libya, which is its third largest oil ding, say the agencies, to keep US supplier.

MERCURY INTERNATIONAL GROUP plc

Mercury International Group has been formed to bring together the businesses of S.G. Warburg & Co.,... Akroyd & Smithers, Rowe & Pitman and Mullens & Co.

The merger of our four firms into a single group is designed to meet the requirements of our U.K. and international clients in the new market conditions. The new group will engage in merchant banking, securities distribution, trading and research and in asset management.

It is expected that The Stock Exchange will allow dual capacity trading to begin on 27th October 1986. We will then be able to operate as an integrated firm in the UK. However, in international markets we are already working together and starting to reap the benefits of the merger.

We will be in a position to back our advice to corporate and institutional clients with the capacity to mobilise our own expertise and capital in issuing, distributing and trading in a broad range of securities.

We have formed our group to provide our clients with wider and better services and to provide our shareholders with a broadly-based investment in today's rapidly developing international financial markets.

S.G., Wathurg & Co. Ltd. Akroyd & Smither's P.L.C. Rowe & Pitman, Mullens & Co. Ltd. S.G. Warburg, Rowe & Pitman, Akroyd Ltd. (Rowak) Mercury Asset Management Ltd.

> London, New York, Tokyo, Geneva, Zurich, Boston, San Francisco, Johannesburg, Jersey, Hong Kong, Melbourne, Sydney,

Foreign Minister, said at the week- supplier. World Weather

Chirac plans cutbacks

Continued from Page 1

Gradual reductions in the deficit plans to bring down interest rates, which in real terms are still at unprecedented levels in France.

The Bank of France is expected on Tuesday-to lower its intervention rate on the money market, pegged at 8% per cent since before last weekend's devaluation of the franc within the European Mone-

Mr Balladur is also planning to bring down other interest rates such as rates paid on savings deposits, which bave been kept artificially high in recent months despite the fail in French inflation to an annual

However, Mr Balladur - who un-

derlined at the end of last week that play a key part in the Government's he would be "prudent" in bringing down credit costs - has his room for manoeuvre constrained by worries

> supply.
>
> The franc's strength in the EMS during the last week, when it was constantly at its new ceiling against the D-Mark, bas obliged the Bank of France to intervene massively to support the West German currency at its revalued level.

about expansion of the money

This intervention - estimated at as high as S3hn last week - has swollen the French money supply and may complicate the Government's efforts to bold the rise in the M3 aggregate to 5 per cent this

SECTION II – COMPANIES AND MARKETS FINANCIALTIMES

Monday April 14 1986



INTERNATIONAL BONDS

Tone set by hopes of further discount rate cuts

cuts," was the description given by one trader of the tone of the Eurobond market last week. In particu-lar, on the back of the removal of the uncertainty ahead of the Euro-pean Monetary System's realign-ment, the Ecu market enjoyed a

A period of frustration for Ecu investors thwarted by short-term interest rates of around 11 per cent, making bond holdings prohibitively costly to fund and borrowers dismayed by an absence of swaps, came to an end as the devahiation of the French franc allowed shortterm rates to fall. The market tured as senior co-manager in this surged ahead on a wave of "disinfla- second transaction. tionary euphoria, as one banker

dair and the state of the state

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In the course of this, some traditions in Ecu Eurobond market practice were broken down, enhancing the increasing maturity of this

Notably, the traditional informal price slight enough to maintain this

"DISCO FEVER". loosely translat: calendar - effectively the "once a situation. Meanwhile, demand was able as "growing investor specula- day is enough" rule - operated by so strong that the issue was in-tion about further discount rate the Belgian banks was side creased from by Ecu 100m to Ecu

On Thursday Morgan Guaranty jumped the queue and followed the lead.
day's scheduled deal for Bacob Finance with an issue for the Repub-lic of Ireland. Belgian banks were initially thought to be outraged and none joined the management has developed as larger and more ligroup, but they were reported on Friday to be buying Ireland's bonds in significant volume.

On Friday the time-tabled issue for the Vienna bank Girozentrale was joined by an issue for Italy. Kredietbank, one of the operators of the Belgian informal cartel, fea-

coupon bond which with a 11-year the Ecu an easy route into currency life and a price of 52 giving a yield to maturity of below 2 per cent. The Far Eastern demand was reported bond traded at a discount to issue for Italy's bond.

The 7 per cent yield, supposed to

Rankers report growing interest
in the Ecu secondary market
ket, was breached by Italy's zero
among US institutions, which find

All of the week's Ecu issues were

creased from by Ecu 100m to Ecu 400m nominal, Sanpaolo Bank ran

the books with Merrill Lynch as co-

The week's Eou offerings high-

lighted the movement of the invest-ment axis away from retail and to-wards institutional investors which

has been an out-of-date stereotype

in the Ecu market for some time.

The fact that of the six issues only

one, for Bacob, the Belgian savings bank, was obviously his cup of tea,

testifies to his diminishing impor-

and most at around issue price. Meanwhile, in the secondary market, premium trading levels abounded. One banker described secondary trading as very specula-tive, as investors disregarded quali-

ty differentials in their rush to increase holdings. Dealers expect this week to produce further primary activity but a calmer approach to seasoned issues, with a consolidation of the market at around the 7 per cent

The devaluation of their currencies within the European Monetary System ensured a buoyant week for French franc bonds, while those de-nominated in revalued currencies had a less exciting time. As against gains in prices of secondary French franc bonds of up to four points, D-Mark bonds added between a half

ness, and said that as Ecu coupons less 1'n and less 2 respectively, move down and hopes of a German those for Deutsche Siedlungs und

and one point on the week.

quoted at levels within their fees discount rate cut improve, D-Mark Landesrenten Bank, which is 99 per bonds must be due for a cent owned by the West Gern

> investors was reported for Australian dollar issues, and three German banks tapped the market. Of the week's new deals, only that for Av-co Financial Services, which was unched without the guarantee of the US parent, seemed to flourder, being quoted on Friday outside its fees. Bankers report a scarcity of

longer dated paper.

The market for dollar Eurobonds was buoyed for much of the week by a strong US treasury market and cheered on Friday by sluggish economic figures, enhancing expectations of a discount rate cut.

In the primary market, investors eign paper such that almost a twotier market has developed. While on Friday afternoon issues for Pepsico Traders note underlying bullish- and General Electric were custed at

rediscovery.

Government, was quoted against a par issue price. Government was quoted at 100%

> The issue for Statoil, the Norwe gian state oil company, the pricing of which was viewed as tight since the yield margin over US Treasuries at issue was only 34 basis market. The bond provided a coupon of only 7 per cent, with an issue price of 101 per cent.

The sterling market was boosted by a 's point cut in bank base lending rates to 11 per cent on Tuesday, although it has since drifted on receding hopes of a further cut. Re cent issues nevertheless improved during the week, so that yield marseemed to have developed discriminatory tastes in favour of soverrowed by up to 40 basis points. Of rowed by up to 40 basis points. Of the week's three new deals, best performer was the partly-paid bond for Compagnie Bancaire, which, cespile its 9 per cent coupon, was bid comfortably within fees on Fri-

Boustead deeper in the red after S\$4m bad debt provision

The provision has been made to dividend. cover debts incurred after the col-

sualty of the Singapore stockbroking crisis precipitated last November by the crash of Pan-Electric Instock exchange but previously

erty and hotel group.

BOUSTEAD, the Singapore trad- The figures show a net loss of ing, engineering and transport com- SS7.5m compared with SS247,000 in pany which is 54 per cent owned by 1984 on a 15.1 per cent fall in turn-Boustead of the UK, has recorded over to S\$105.5m. Extraordinary its fourth successive year of losses losses reddened the bottom line furafter a SS4m (SI.8m) deht provision. ther to SS8.6m at the attributable level and the company passed a

lapse of a Singapore stockhroking hy Boustead Services, a 100 per firm. The had deht provision was made Boustead's 1985 results confirm cludes investment among its activithat the company is yet another ca- ties. The broking firm is understood dustries, the marine saivage, prop- headed by Mr Peter Tham, who was also a director of Pan-Electric.

MAN and GHH merge

BY RUPERT CORNWELL IN BONN

MAN has formally sealed the mer- MAN for those of its parent. The ger with its parent company GHH, new holding company for the reorwith the promise of a sustained up- ganised group will be called MAN turn in its fortunes, thus completing AG and will be based in Munich in-a sweeping overhaul of West Gerstead of the former GHH beadquarmany's and Europe's biggest engi- ters at Oberbausen in the Ruhr. neering group.
Shareholders of MAN, whose DM

According to MAN's outgoing 430m (\$183.9m) capital was previ- chief executive Mr Otto Voisard, orously 75 per cent owned by GHH, ders in the first nine months of the approved at a special meeting the company's year ending June 1986, seven-for-six exchange of shares in were up 11 per cent

EUROMARKET TURNOVER dary Market 24,616.4 1,197.4 8,116.5 4,916.1 21,999.3 1,571.4 8,325.0 2,184.5 11,519.7 186.0 1,157.7 3,098.5 8,082.1 186.0 1,154.4 2,288.9 Total 13,948.8 10,832.8 8,700.6 7,439.4

Boeing upgrades prop-fan venture

By Michael Donne in London BOEING of the US, which is devel-

oping its new 7J7 twin-engined prop-fan airliner for service in 1992, has elevated this venture to the full status of a "division" within the company, headed by vice-president Mr James T. Johnson. This is further evidence of the

serious intent by Boeing to develop the revolutionary prop-fan venture. Already Boeing has 600 engineers working on the 7J7.

EURONOTES AND CREDITS

Quiet sighs of relief follow \$300m Bank of Greece deal

nervously awaited by its key bank- and National Westminster.

When the terms on a \$300m deal for the Bank of Greece emerged on Friday, however, there were quiet sighs of relief. Although such a deal is difficult to price when fears of a continuch evidence that last year's rescheduling of the country's \$150n efforts to cut the balance of payforeign debt are still recent, the foreign dent are sun sankers was feeling among many bankers was that interest margins were fair.

The loan is for eight years with five years grace and has a spread of % point above London interbank offered rates (Libor) with a commitment fee of % point. Banks putting

The spread compares with % point, rising to % after three years, on a \$450m eight-year loan raised for Greece a year ago. Even though banks will be subscribing now withments deficit and inflation are acti-

its for Greece and that they are not same terins as a successful \$250m

AFTER the economic traumas up \$15m will have a management in any hurry to lend more given which led to austerity measures fee of % point. Citicorp is book-last year, Greece's return to the runner with Arab Banking Corpora-syndicated loan market has been ton, Bank of Tokyo, Irving Trust by lesser borrowers later in the picture may be clearer.

> . Meanwhile, Greece - which has not always been the easiest borrower for banks to deal with - will strive to bring long-term relationship banks into this deal.

The interest margin will at any ally working, they may welcome tate, be better than those on loans the chance to put higher-yielding now in syndication for Hungary assets on their books. Most resistance is likely to come although both of these are expected from Japanese banks. Some say to meet no problems. The DM 1bm they are already close to their lim- Soviet loan is on almost exactly the

a D-Mark commitment at sub-Libor rates as for a dollar-denominated Amid this revival of traditional

date for a large deal for Ireland, ex-pected to be \$300m to \$500m, is still awaited. The borrower is being enpriced \$100m loan now in the market for its telecommunications concern is finding takers. There are al-

for Aer Lingus.

syndication earlier this year, with lary of Pilkington Brothers. Le hankers' only reservation that it glass-maker, is arranging a \$150m may not be so easy for them to fund facility, of which \$100m is to be underwritten, through J. Henry Schroder Wagg.

The maximum that the borrower will pay on the 10-year financing is syndicated loan husiness, a man- 15 basis points over Libor, plus a facility fee of 10 basis points for the first balf of the period rising to 12.5 for the remainder. There will be a couraged not to set super-aggres-sive terms, even though the finely writing banks and several dealers who will not be underwriters.

The tender panel structure is also being used for a £100m facility for so suggestions of an imminent loan Abbey Life to fund its entry, in an here of red-hot competition, A crop of British mandates into the UK home loan market. emerged last week. A US subsid- Semuel Montagu is arranging the

eight-year extendable deal which will enable the borrower to receive short-term advances at a maximum of 25 basis points over Libor. The third UK mandate was from

the Littlewoods Organisation to

Barclays for a C60m acceptances and advances tender panel facility. In the Euro-commercial paper market, subsidiaries of Mitsui, the Japanese trading concern, have mandated two programmes total-ling \$300m. Citicorp and Nomura International will be dealers on a \$200m total for a US subsidiary, and Chase Manhattan, Morgan Stanley, Nomura and Swiss Bank Corporation International will handle issues of up to \$100m for a Dutch

ECU 125,000,000

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Veek to April 10 1985

New Issue/March, 1986



U.S. \$250,000,000

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US MONEY AND CREDIT

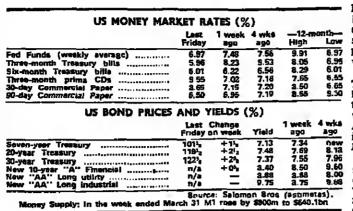
Hopes of Fed easing spur Wall Street

THE FEDERAL RESERVE signalled its intentions last week—and then, as usual, kept the market guessing about when, end by how much, the discount rate would be cut. The Fed ections, or rather lack of action, in the money markets finally convinced most investors and market economists that the US central bank was easing again,

After battering at the doors for weeks the Fed funds rate dropped decisively below the 7 per cent level—and stuck there apparently with the Fed's blessing. By the close on Friday the markets question was when, not whether, the discount rate would be cut

The absence of Fed open market activity to push the funds rate back above 7 per cent—as the central bank had done the previous week—con-vinced even the doubters that vinced even the doubters that the central bank was easing might interbank rate triggered

As Philip Braverman of term interest rates. Treasury line with other rates been predicting an easing plunged by between 20 and 50 the 7 per cent fed funds rate in recent days, and the absence of Fed efforts to force it higher, indicate the Fed has already adopted a lower funds rate objective, well under the 7th per cent to 72 per cent were below 7 per cent to 72 per cent to 72 per cent to 73 per cent to 74 per cent to 72 per cent to 75 p the 71 per cent to 71 per cent rates were below 7 per cent



range previously in place. With the funds rate under the dis-count rate, a discount rate should be considered imminent."

a sbarp decline in other shortmonetary policy again. a sharp decline in other short-As Philip Braverman of term interest rates. Treasure

prompting Dr Henry Kaulman, Salomon Brothers' chief econo-mist to note "declines in money make a compelling case for the Federal Reserve to reduce the discount rate to bring it into line with other rates."

The realisation that the de-

dine in the funds rate to below the 7 per cent level was not a technical accident triggered another buil rally in the bond markets. On Tuesday alone long bond prices jumped by 3 discount rate cut

Bond prices managed to move

in extremely volstile trading on Thursday but the rally lost steam on Friday as dealers took profits and investors waited—in vain-for a discount rate cut. At the close on Friday Treasury bond price gains had heen trimmed to 3‡ points and the Treasury 30-year long bond was up 21 on the week at 1221.

At that price the long bond is yielding 7.37 per cent, its lowest level for nine years. While the sharp decline in short-term interest rates and discount rate cut speculation were the primary factors moving the market last week, oil price moves continued to in-fluence market mood.

The renewed slide in oil prices early in the week belped to spur the rally as reports of higher Soviet sales offset the impact of the Norwegian strike and apparently lower output by the Saudis.

Nerunusness about Middle East was one factor ex plaining the market's partial reversal on Friday. Another is that a discount rate cut bas already been discounted by most bond market professionals. The only remaining uncertainties for them are when and hy how much, and it is these two issues that are currently sparking the

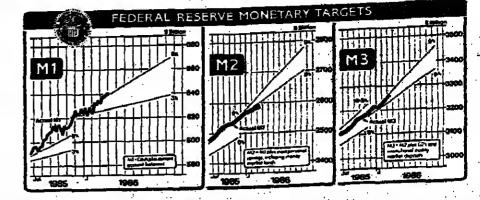
higher again on Wednesday and fiercest debate. Some market believe that the Fed would prefer not to take the initiative in the next round of global interest rate reductions, but may

ultimately bave no choice given West Germany's apparent reluc-

tance to take the lead apan's internal debate. Nevertheless the markets remain uncertain whether Mr Psul Volcker, Fed Chairman, and the monetary authorities are willing to take the lead ahead of the May Tokyo summit

and, if they do, bow bold they are prepared to be. The Fed normally cots the discount rate by balf a percentage point increments. But there is a lively debate on Wall Street this time over whether the Fed might slep to a full point reduc-tion—as some consider justified by the sluggish economy and obvious strains in sectors of the obvious strains in sectors or the US financial system—or bold to

1084



apread hetween the bank prime quarter point reduction aignalling extreme caution.

Many factors could influence both the timing and size, incloding the performance of tha dollar and the latest numbers

on the economy—in particular the preliminary first quarter. GNP figures due on Thursday. Most Wall Street economists believe real GNP growth will come in towards the low end of a 2 to 3 per cent range.

Meantime the recent decline

lending rate and bank funding costs. This, together with the obvious attractions of refinance According to Nancy Kimelman ofSalomon Brothers, refinancing accounted for a "a wbopping" 35 per cent of the record \$35hn of new taxable bonds that new issues brought to market in the

Meantime the recent decline first quarter.
In money marker rates has highlighted the unusually wide sively Dr Kaufman notes that

during the past two weeks alone gross domestic corporate bond issues totalled nearly \$13bnwhich, if sustained, will mean ing older high-conpon debt. April breaking the record set belps explain the surge in corporate new issues.

The conclusion drawn by Dr. The conclusion drawn by Dr.

Kaufman and others is that demand for short-term credit is weak and that even if the weak and that even it the current prime rate was reduced in tandem with a discount rate cut, prime rates would remain at relatively lofty levels.

Paul Taylor

UK GILTS

Bank takes steps to hold rally in check

shine off the week. After gains of up to 2½ points on Tuesday, when bank base rates come down by half a percentage point to 11 per cent, the longs ended the week over 3 points higher. This was accomplished along-side a distinct flattening in the yield curve. The FT Actuaries 25-year

high coupon yield began the week at 9.10 per cent, 13 basis points below the 15-year yield and 30 below the 5 year. It ended at 8.87 per cent, just one basis point below the 15-year

IF THE UK gilts market last week lacked his euphoria that it has shown on some recent occasions, it was still entbusiastic enough for the authorities. DC with another interest rate policies to apply a touch of the bridle. Four £100m tranches, however, were a less ferocious signal thon the one issued to the money markets on Thursday, when the Bank of England refused to buy hills and instead lent £155m at the procession at the process of the publication on Wednesday above 76 there is still scope for the March banking in their baste to see single figure base rates again. Stockbroker Bank of England refused to buy hills and instead lent £155m at to a base rate as low as 7.5 per cent.

The difficulty of applying monetary analysis to the authorities rate policies was shown up last week, when orities' interest rate policies was shown up last week, when orities' interest rate policies of the proposition of the proposition of the proposition of the provisional money supply figures for the March banking in their baste to see single figure base rates again. Stockbroker Budget, although Treasury market rates already discounting the next base rate cnt, the proposition of the Public Sector Budgurenent because of the Requirement because of the bigh level of gilt redemptions was shown up last week, when orities' interest rate policies was shown up last week, when orities' interest rate policies of the Public Sector Budgurenent because of the bigh level of gilt redemptions as shown up last week, when orities' interest rate policies was shown up last week, when orities' interest rate policies of the Public Sector Budgurenent because of the monetary analysis to the authorities and with the sterling of provisional money supply figures for the March banking before the pound to depreciate the figure at the pound to depreciate the provisional money supply figures for the March banking of the Public Sector Budgurenent because of the bight revel of gilt redemptions of provisional money supply and with the sterling of provisional money

"When the markets are in that sort of mood the warning signals go up," commented one observer. The markets, for their part, grumble about tha difficulty of

scting with the appropriate discrimination when the Government has consigned the most widely accepted monetary aggregate to purgatory to atone for its past erratic behaviour.

Serious students of monetary policy are unlikely to be satisfied with the Chancellor's Although the Chancellor was Mansion House speech ... Allywances, and understunding

and the construction of the second construction

point cut in base rates early on Tuesday, before the bad news was known, and rejected a further cut on Thursday, after the worse than expected figures received without a

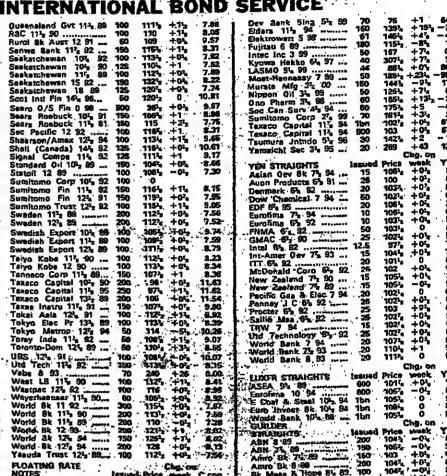
markets last week may prove to have been less over direction than over speed. There were good extenuating circumstances speech on Wednesday, which for the rate of £M3 growth—
may prove to be little more heavy company borrowing to
than a rewritten version of the take advantage of Capital

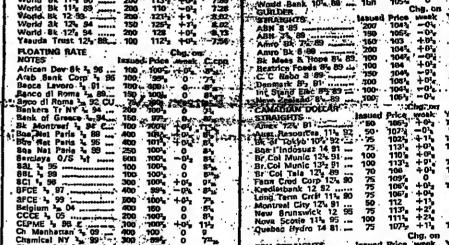
Yet the Bank conceded a half to move at the pace they prefer. The bridle is less popular in the current bullish environment, however, than it was earlier in the year, when the Bank of England successfully resisted a plunge to higher base

In fact, the disagreement markets is that they ought to between the authorities and the have their hands held when markets last week may now? rates are going up, but they want to be left slone when rates are coming down," said one City analyst last week.

George Graham

FT/AIBD INTERNATIONAL BOND SERVICE





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INTL CAPITAL MARKETS AND COMPANIES

Simmons raises bid for Sea-Land

By Our New York Chrrespundent MR HAROLD SIMMONS, the Dallas-based businessman who has been seeking control of Sea-Land, the US container shipping group, for nine months, has raised his bid for the Sea-Land shares he does not already own by \$1 a share to \$26 a share in

Sea-Land, which has rejected Mr Simmons, earlier approaches, said it would consider the latest bid. Mr Simmons already controls 39.3 per cent of the stock.
If accepted the latest offer would cost his investment group

at least \$364m. Sea-Land's board would also have to waive a "poison pill" provision allowing shareholders ather than Mr Simmons to acquire stock at half price. That provision goes into effect if a hostile bidder gains more than a 40 per cent slake in the group. Last year Mr Simmons offered \$25 a share or about \$580m in

for the group. After he built up his holding to its Outrent level the group reached an agreement with him aimed at avoiding a proxy battle. Under that agreement Sea-Land agreed to nominate Mr Simmons and two others to its board.

harply lower net earnings of of shareholders. \$14.2m on revenues of \$1.63bn compared with net earnings of major Belgian holding groups. \$80.5m on revenues of \$1.76bn have a combined portfolio

InterFirst cuts payout as oil slump hits customers

BY PAUL TAYLOR IN NEW YORK

banking group, proposes to cul its quarterly dividend to 2.5 cents a share from la cents. The group, which also announced an 86 per cent decline in first quarter net earnings, said the dividend reduction was a "prudent" step which would preserve the group's capital base,

approved by InterFirst's board later this month it will be the second reduction in the shareholder payout by the nation's 19th largest bank in two years. dividend was halved in

INTERFIRST, the Dallas-based indicates the serious problems \$255m or 1.69 per cent of total faced by banks in the deeply depressed Texas market.

InterFirst said that its first quarter net earnings plunged to \$2 1m or 3 cents a share from \$15.1m or 23 cents a sbare a year ago. The group blamed the earnings reduction on the severe decline in oil prices and from \$742m or 4.87 per cent a

quarter reserve for possible loan losses of \$265m or 1.85 per 1983 when the group pasted a loan losses of \$265m or 1.85 per \$14.50-a-barrel this year and \$172m net loss. The latest more cent of total loans, up from \$16.50-a-barrel in 1986 to 1988

InterFirst also noted that as a result of a further deterioration in the quality of sections of its loan portfolio, its non-per forming assets jumped to \$799m leans at the end of March, up

cents previously. The reduction in payont follows approval by the Malaysian authorities for the acquisition of 25,000 acres of jungle land from the Perak State Government for a cashaverage crude oll price of \$14.50-a-barrel this year and payment of 25m ringgit (59.6m). UP said in view of substanttal required for the jungle development. It was prudent to

conserve earnings. The land lies adjacent to UP's current planiations in Lower Perak, and when fully developed will give the com-pany nearly 60,000 acres of high

United

Plantations

By Wong Sulong in Kuala Lumpur

UNITED PLANTATIONS, the

former Danish-owned Malay-

sian palm oll company, plans

a big cut in dividends to con-

serve cash for a major expan-

sion project. The dividend is

going down to 5 cenis a share

for 1985, comppared with 25

to reduce

dividend

After tax profit for the year was little changed at 28.9m ringgit. The performance contrasts favourably with sharp falls in profils at niber plantation companies. UP said its earnings stability was dne to forward sales of palm nil at favourable prices and "agreeable Irading results" for Unllata, its big palm oll refining company.

the impact of the energy slump year ago. If the dividend cut is on many of its customers. The group added that because The banking group said its of the high degree of uncerprovision for loan losses in the tainty regarding future oil latest quarter was \$52.2m and prices, it had evaluated its oll net loan charge offs totalled and gas loan portfolio Ioss \$42.2m, resulting in an end- reserves on the basis of an

Belgian holding groups to link

BY OUR FINANCIAL STAFF

TRACTIONEL, the Belgian energy, property, chemical and holding company, is to push through its planned merger with Electrobel via an 11 for I share swap. After the deal, proposals for

which were first mooted last December, capital of the For 1985 Sea-Land, which enlarged group would be operates one of the largest US BFr 15bn (\$316m). The merger container ship fleets, reported has to be ratified by both sets

The two companies, both

For 1985 Tractionel made a net profit of BFr 2.85bn wbile earnings at Electrobel totalled BFr 2.26bn. The comparative numbers for 1984 were BFr 1.76bn and BFr 2bn respectively.

Investment holding company, its dividend, net of withholding said net profit rose 44 per cent tax, to BFr \$15 per share from for last year to BFr 1.57bn. Revenue rose 25 per cent to BFr 2.07bn from BFr 1.65bn partly on an increase in capital

Unocal and Panhandle Eastern. Income from dividends and interest rose 4.1 per cent to BFr 1bn following an increase in revenue on investments in shares in Belgian companies. Sofina is proposing to raise

The value of the investment portfolio rose I per cent to BFr 9.42bn. The company said it made investments during 1985 The capital gains stemmed in several US companies, in-from the sale of shares owned cluding Reynolds Industries

BFr 295 in 1984

value of around BFr 56bn. five scrip issue. Trafalgar-Glen sells Minebea stake back to Japan

BY CARLA RAPOPORT IN TOKYO AND LIONEL BARBER IN LONDON

JAPAN'S FIRST hostile take- Y630 a share-a level which is sale of Minebea sbares and con- markets were being made. over bid mounted from abroad helicved to represent a considerhas moved a significant step backward with the sale by
Trafalgar-Glen, an Anglo-US
investment group, of its shareThe transaction marks a turnholding in Minebea, the precislon ball bearing company colourful episodes in Japanese which had been its target.

ever, to acknowledge that this always carried out behind closed signalled an end to its pursuit doors until almost all the terms

The hallbearing company sald as well as convertible bonds worth \$10.47m, from Trafalgar-Nearly 17m of the shares were then sold in Tokyo on Friday at

hich had been its target.

financial history. Takeover bids
The predator refused, howin Japan are rare and are nearly

group, however, launched their to be the case too, bid nine months ago before One warrant dea Mr Ramsden described the

are agreed. Mr Terry Ramsden, of the

vertible bonds as amicable, but he rejected suggestions that his plans for a hostile bid were finished. "Anybody saying this would be making pre-emptive statements," he said,

Glen and Trafalgar still control a large proportion of Mine-bea sterling, dollar and Swiss Franc warrants, potentially representing more than 25 per cent of Minebea stock. Mr Ramsden said he had not that Nontura and Daiwa, two London-based Glen, and Mr exercised any of the warrants, Japanese securities houses, had Charles Knapp, of the Los Barings, Minebea's London bought 21m shares in Menebea. Angeles Trafalgar Holdings adviser, said it understood this

One warrant dealer in London informing either the company or said that Trafalgar-Glen regulatory officials. said that appeared to have a "stranglehold" on the warrants since no

The bid has been stalled since exercised. February awaiting a ruling from a Ministry of Finance com-mittee in Tokyo on the defence implications of a foreign take-over of Minebea, which makes

some military parts.

Many financial analysts in Tokyo have long dismissed the bid as Japan's first taste of greenmail—in other words, that it was launched only to increase the value of the predator's holdings.

It was unclear, however, whether Trafalgar-Glen won or lost on the deal, as the Japanese yen has appreciated by about 25 per cent against the dollar during the course of the bid,

and the warrants may still be We are very glad to see

this agreement," said Mr Kenji Senoue, general manager for planning at Minebea. He added that the company's president. Bir Takami Takahasbi, had helped negotlate the deal with Trafalgar Glen in London this veek. He said that Mr Ramsden had contacted Baring Brothers in London and asked to sell. Mr Ramsden acknowledged that Minebea's successful acquisition of Kanemori, a kimono and textile manufacturer, had blunted Trafalgar-Glen's ap-proach by diluting its original sharebolding. But Trafalgar-Glen intended to unscramble the deal in the Japanese courts.

3.750 U.S. DOLLARS 3¾ 3¾ 3¼ Best Denki ¶‡ Rotan ¶‡ Mitsubista Corp. ¶‡ 3,125 7,49\$ 1901 1994 1993 Micho Secs. (Europe) 88.28 **CSFB** Suntary ‡ Chicorp ‡ Queenstand Coal (2) †‡ 106½ 100,15 5bp (2½) 7¾ 7¾ ¼ 306 100 108 380 160 1996 2001 Miteubishi Tr & B 7.713 Mitsohishi Tr & B'king S 100¼ 101‰ 1996 Yassichi Int. (Eur) 6,979 CEPMET Banque Peripus Nomus Int. Miko Secs. (Europa) 2081 1991 1981 Liefin Corp. (c) 11 Trio-Karwood ¶ Manten Co. T Bank of Yokoba ers Trest Int. 1011/2 TER let. 109% Swedish Export Cr. 1 Learns Fixance 51 Cataldian Pacific 1 Passics Inc. 1 4.750 CSTB 2001 1996 1993 1991 7,500 7,305 UBS (Secs) LTC8 let. 100% 101% 7.224 Maca, Ha CSFB Tokai Bank I Klaiment, Ban Nomete in. Daine Europe Sanitome Trust let. Fresidio Mec ‡ Sellie Mes (b) ‡ Sumtemo Tr & B'king 9 1993 2001 1996 1991 1989 100 7.500 71/2 (33/4) DSL Bank I Mikho Secs. (Europ 186 6.622 185 28 1985 Therein Analytical S CANADIAN DOLLARS 9.540 9.500 8.287 9.56E 9.127 UBS (Secs) Merril Lynch Wood Gundy Wood Gundy CIEC Ltd. Bt of Meaninal Restly ! Hydro-Cuebec ! Ottowa-Carleton ! Ottowa-Carleton ! 10 15 12 28 5 160 150 48 15 100 1556 2061 1998 2006 91/2 -97/2 95/4 91/4 1951 1556 1881/2 EIBC Mortgage Corp. ‡ Now Branswick ‡ AUSTRALIAN DOLLARS 13,272 1993 1993 1993 1985 1991 AYCO Fig. Services ‡ 131/2 40 48 50 50 75 50 38 13,137 12,583 1001/2 1807/4 1811/2 13¼ 12¾ CSR Finance ‡ St. Hec. Comm. Victoria ; Hessische Landesbank ‡ Orion Royal Bank Morgan Gearanty Dautsche Bk Cap Mikts 12,124 124 121/2 12,152 Boutacho Bank Fin. ‡ NLdoi Paschi di Siene 12.632 CIBC Ltd. 1989 1991 100% 12.251 **NEW ZEALAND DOLLARS** 17,430 18 10114 50 1989 Coca-Cols I PK Banken ‡ Westpac Benking ‡ Dest. Investitionals City of Mentael ‡ 18 18 5% 5% 5,875. \$.051 5.884 250 50 150 1996 1992 1958 DG Back 99¾ 106¼ BJ Finance ‡ C Wealth Bk Australia 200 128 98½ 100 5.256 SWISS FRANCS 1,375 Advantast Corp Kansai Bactric I 1.580 1.500 156 Cincorp Inv.Bk Kradietbank (St der Marine Pts ** ¶‡ Kradiethank (Suisse) Boe Gutzveller, K.B. Perp. 2001 1991 Standard Oil Otio Et Seditic Meatilf Lynch Bik A.M.R. Corp. ‡ Kzwastina Textile "‡ 5.177 5.283 U.S. Steel Corp. ; Kawasaki Henyy Ind. Kawasaki Henyy Ind. Daicel Chemical ***S United Medical ***S 1886. 1991 Cridit Spins 4.457 5.000 100 STERLENG 2001 1003 1993 101.f 50. 50 13,800 8.734 Because Probase FILLE 7.032 5.838 1991 1001/2 198\$ (Sees) .. 7.157 7.054 100% 52,00 \$ 884 5.75E trely ± 1996 FRENCH PRANCS 734 (,-100/2

NEW INTERNATIONAL BOND ISSUES

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These Bonds having been sold, this announcement appears as a maner of free of the offer and the second of the seco

NEW ISSUE

These Shares having been sold, this announcement appears as a matter of record only.

FEBRUARY 1986

Bank Brussel Lambert N.V./ Banque Bruxelles Lambert S.A. (Incorporated with limited liability in Belgium)

1,000,000 Shares of no par value

Credit Suisse First Boston Limited

Cazenove & Co.

Dresdner Bank Aktiengesellschaft

Swiss Bank Corporation International

Union Bank of Switzerland (Securities)

Bank Brussel Lambert N.V./Banque Bruxelles Lambert S.A.

Algemene Bank Nederland N.V. Banque Nationale de Paris

Banque Internationale à Luxembourg S.A. **Daiwa Europe Limited**

Deutsche Bank Capital Markets Limited

Goldman Sachs International Corp.

Merrill Lynch Capital Markets

Morgan Stanley International Salomon Brothers International Limited

Nomura International Limited Shearson Lehman Brothers International

Swiss Volksbank

S.G. Warburg & Co. Ltd.

Banca del Gottardo Banca della Svizzera Italiana Bank Gutzwiller, Kurz. Bungener (Overseas) Bank Leu International Ltd. Bank Mees & Hope NV Bank J. Vontabel & Cn. AG Bankhaus Gebrüder Bethmann Ranque Bruxelles Lambert (Spisse) S.A. Banque Générale du Luxembourg S.A. Banque Louis-Dreyfus Banque de Neuflize, Schlamberger, Mallet Banque Paribas Capital Markets Banque Privée S.A. Barciays Merchant Bank Berliner Handels- and Frankfurter Bank Chase Investment Bank Commerzbank Compagnie de Banque et d'Investissements, CBI County Securities Crédit Commercial de France Credito Italiano Dewfin S.A. Drexel Burnham Lambert EBC Amro Bank Enskilda Securities Generalc Bank Genossenschaftliche Zentralbank AG Girozentrale und Bank der österreichischen Sparkassen Hambros Bank Limited HandelsBank NW (Overseas) Ltd Hentsch & Cie Kidder, Peabody International Kredielbank N.V. Lazard Frères et Cie

Hessische Landesbank Lloyds Merchant Bank

Österreichische Länderbank

Morgan Guaranty Ltd

Lombard Odier International Underwriters S.A.

The Nikko Securities Co., (Europe) Ltd.

PaineWebber International

McLeod Young Weir International

Morgan Grenfell & Co. Sal. Oppenheim jr. & Cie Orion Royal Bank Peterbroeck, van Campenhout et Cie S. C.S.

Pictet International Ltd Pierson, Heldring & Pierson N.V. Wesidentsche Landesbank

Williams de Brôc Hill Chaplin & Comp. 129

J. Henry Schroder Wage & Co. S.A. Societé Financière du Pout des Pages Van De Put & Co. Wood Gundy Inc.

Vereins- und Westbank Yamaichi International (Europe) U.S. \$150,000,000



Ireland

9%% Bonds Due 1996

Credit Suisse First Boston Limited

Deutsche Bank Capital Markets Limited

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

BankAmerica Capital Markets Group

Bank of Tokyo International Limited

Banque Bruxelles Lambert S.A.

Commerzbank Aktiengesellschaft

Crédit Commercial de France

Morgan Stanley International

The Nikko Securities Co., (Europe) Ltd.

Nomura International Limited

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Orion Royal Bank Limited

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This document is IMPORTANT: If you are in any doubt about it you should consult your accountant, solicitor, stockbroker, bank manager, or other professional adviser. Application has been made to the Council of The Stock Exchange in London for the Participating Redeemable Preference Shares of 1 cent. aach ("Participating Shares") of each class of the Company to be admitted to the Official List. Copies of this Prospectus regether with the documents referred to herein have been delivered to the Registrar of Companies in England and Wales and copies have been registered by the

Registrar of Companies in Hong Kong. Neither Registrar takes any responsibility as to the contents of this Prospectus. The subscription lists for the initial offer will open at 9.00 a.m. on 14th April, 1988, and close at 3.30 p.m. on 2nd May, 1986. This Prospectus is issued solely for the purpose of the initial offer of Shares for subscription and does not constitute an offer of Shares for subscription.

Scimitar Worldwide Selection Fund Limited

The distribution of this Prospectus and the offering of Participating Shares may be restricted in certain jurisdictions; persons receiving this Prospectus are required by the Company and the Managers to Inform themselves of and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is not authorised to any person to whom it is unlawful to make such offer or solicitation.

such offer or solicitation.

The Participating Shares have not been registered under the United States Securities Act of 1933. Except in a transaction which does not violate the Act, they may not be directly or indirectly offered or sold in the United States of America, or any of its territories, possessions or areas subject to its jurisdiction, or to or for the benefit of a US person as defined below.

This Prospectus is not and shall not be deemed to be an invitation to the public of the Cayman related to the state of the Cayman.

Islands to subscribe for Participating Shares.

No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offering of Participating Shares, and, digiven or made, such information or representations must not be relied on as having been authorised by the Company or the Managera. The delivery of this Prospectus or the altoment or issue of Participating Shares does not imply that there has been no change in the affairs of the Company since the date hereof.

Company since the date hersof.

The consents of the Finance and Economics Committee of the States of Jersey under the Control of Borrowing (Jersey) Order 1959 (as amended), the Advisory and Finance Committee of the States of Guernsey) Order 1959 to 1978 and H.M. Treasury of the United Kingdom under the Control of Borrowing Order 1958 have been obtained for the issue of the Participating Shares. The Company will be authorised by the Securities Commission in Hong Kong. It must be distinctly understood that an giving these consents or authorisation neither of the Committees nor H.M. Treasury nor the Securities Commission takes any responsibility for the financial soundness of any schemes or for the correctness of any statements made or opinions expressed with regard to them.

The subscription lists for the initial Offer will open at 3.00 a.m. on 14th April, 1986 and will close at 3.30 p.m. on 2nd May, 1986, in respect of applications received prior to 3.30 p.m. on 2nd May, 1986, Participating Shares will be allotted as at that date, and confirmation will be sent to applicants within 10 business days thereafter. Share certificates will be ideapatched within 28 business days of allottent. All applications received after the closure of the subscription lists will be treated as applications for Participating Shares at the subscription price ruling on the relevant Dealing Day. The first sualishis Dealing Day (being any business day in Jersey) will be 8th May, 1986. Following this initial subscription prices.

On 20th March, 1986 the Company had no loan capital (including term loans) outstanding or created but unissued, and no borrowing or indebtedness in the nature of borrowing, including tenk overdrafts, itsbilities under acceptances or acceptance credits, hire purchase commitments, guarantees, other contingent liabilities, mortgages or charges.

SUMMARY OF MAIN FEATURES

Scritters Worldwide Selection Fund Limited is incorporated in the Cayman Islands with Managers resident in Jersey, it has the power to issue and redeem us Perticipating Shares at prices based on their underlying net asset value, The Managers have appointed Scritter Asset Management Limited, as investment adviser to the Company.

Objective

Objective

The objective is to provide a single investment vehicle which gives individual and institutional investors the opportunity to invest in the major equity and bond markets worldwide through a range of separate international Equity and Bond Class Funds. This gives a high degree of

Investors in any of the Class Funds may convert between the different Class Funds. The first three conversions in any calendar year are free of charge and are made at values which exclude the Managers' initial charge. All conversions are subject to the minimum level of investment stated below. Conversion should not constitute a disposal for the purpose of United Kingdom

taxation. Subscription Price
The initial subscription price of each Class Fund will be US\$10, £10 or ECU10, as appropriate, inclusive of the initial charge of 4%.

Thereafter, shares will be issued on a daily basis at prices based on the net asset value of each Class Fund. Prices will be published in the London edition of The Financial Times and in the Hong Kong South China Morning Post:

The initial minimum investment is US\$10,000 or its equivalent. The minimum for any one Class Fund, or any subsequent investment by a shareholder, is \$2,500 or its equivalent. The redemption price of each Class Fund reflects the net asset value of that fund including undistributed income. Participating Shares may be redeemed on any Dealing Day.

Distributions for each class of share (other than the Zero Coupon Bond Fund) will take place every six months with the first payment being made to investors on the register on 30th September, 1986. Shareholders may elect to have their dividends automatically reinvested in further Participating Shares of the same Class Fund.

Each Class Fund is valued daily using closing mid-market prices for the previous Dealing Day.

The subscription price for each Class Fund includes the Managers' initial charge of 4%. The annual fees payable by the Company are a Managers' fee of 1% of the value of each Class Fund and a custodian fee of 0.25% in respect of Equity Class Funds and 0.125% in respect of Bond Class Funds. The Managers will pay an annual fee of 0.375% of the value of each Class Fund to the Investment Adviser.

The Managers can make use, when they consider it appropriate, of forward foreign currency

Taxation
The Company is incorporated in the Cayman Islands and under the present tax system is not subject to any income, profits or capital gains tax, nor are any withholding taxes levied on dividends paid by the Company.
United Kingdom investors should note that the Company will not be a distributing fund under the provisions of the Finance Act 1984.
This page is a summary of the main features of the Company. It is derived from and should be read in conjunction with the full taxt of this document.

DIRECTORS OF THE COMPANY

Sir Ronald Leach, GBE (Chairman), 78, British Chairman of Standard Chartered Bank (C.I.) Limited and Standard Chartered Trust Company (C.I.) Limited. He retired from the position of senior partner of Peat, Marwick, Mitchell & Co., in 1977

Oliver John Coakley Oakes, 57, British Managing Director of Standard Chartered Bank (C.I.) Limited, Director of Standard Chartered Trust Company (C.I.) Limited and a Director of Standard Chartered Fund Managers (C.I.) Limited, be joined Standard Chartered Bank (C.I.) Limited from Julian S. Hodge Bank (Jersey) Limited in 1978

Christopher Dickinson, 41, British Director of Standard Chartered Bank (C.I.) Limited and Managing Director of Standard Chartered Fund Managers (C.I.) Limited, he joined the Bank in 1983 from Coopers & Lybrand

Hon. Michael D'Arcy Benson, 42, British Director of Standard Chartered Marchant Bank Limited Director of Standard Chartered West Charter Asset Management
Limited, which he joined in May 1985 after
18 years with Lazards latterly as a main board Director
and Joint Managing Director of Lazards Securities Limited.
He is also chairman of the Managers' Board of Directors

Martin Kenneth Alan Wooller, 34, British Director of Scimitar Asset Management Limited and head of the Fixed Income Department which he joined in August 1985. Prior to that he spent 5 years at a major London Merchant Bank in the fixed income and currency management areas, where he was an Assistant Director. Prior to that he worked at Bank of America and the Reserve Bank of Australia William Charles Langdon Brown, O.B.E., 54, British Area General Manager of Standard Chartered Bank, Hong Kong, he joined the Bank in 1954

Michael Kennedy Brown, 48, British Area General Manager of Standard Chartered Bank, Singapora, he joined the Bank in 1964

John Adeir Meikle Docherty, 42, British Generaldirektor of Standard Chartered Bank A.G. in Switzerland, he joined the Bank in 1984

Selection Fund Limited

Scimitar Worldwide

Incorporated with limited liability in the Cayman Islands end registered on 18th March, 1986 under the provisions of the Companies Law (Cap. 22) of the Cayman Islands (the "Cayman Law") as amended and having an authorised share capital of \$10,000,100.

Managed by

Scimitar Asset Management (C.I.) Limited

(the "Managers")

Initial Offer for Subscription of up to 1,000,000,000 Participating Redeemable Preference Shares of 1 cent, each in any of the following Class Funds and at the following prices (inclusive of the initial charge of 40 cents, £0.40 or ECU 0.40 as appropriate), payable in full on application:

| Classes of Participating Shares | Initial Subscription |
|---------------------------------|----------------------|
| Equity Class Funds | |
| American | \$10.00 |
| European | \$10.00 |
| Japanese | \$10.00 |
| Pacific Basin | \$10.00 |
| Worldwide | \$10.00 |
| Bond Class Funds | |
| US Dollar | \$10.00 |
| Zero Coupon | \$10.00 |
| Starling | £10.00 |
| European Currency Unit | ECU 10.00 |
| Worldwide | \$10.00 |
| | |

In this document, "dollars", "\$", and "cents." are United States dollars and cents. "Sterling", "pounds" and "£", are United Kingdom pounds sterling. All references to currency include turopean Currency Units, "ECU". Charges payable in dollars or cents include their equivalent in storling and ECU. All references to time are to Jersey time. accuse over equivalent in storing and ECU, All references to time are to Jersey time. Application may be made either by talest (Telest No. 4192013) or on the attached Application Form. Payment about the made in the currency shown opposite each clean of Participating Steres shows. If applicants wish to pay in other currencies, they should refer to the pergraph hastled "Foreign Exchange", All forms of application, redemption or conversion or any other lestructions to the Managers should be in English, faiting which their will only be implemented at the Managers' discretion, Applications to the Hong Kong Representative may be in either English or Chinese.

investors should be aware that the value of a Participating Shero and the income from it can full as well as rise.

"Directors of the Company" are the persons responsible for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all researchele care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not only snything likely to affect the import of such information. The Directors accept responsibility according

Further copies of this Prospectus and Application Form may be obtained from: Scimitar Asset Management (C.L) Limited, or Scimitar Asset Management Scimitar Asset Management Limited, 33–36 Gracechurch Street, London EC3 OAX, P.O. Box No 330, Standard Chartered House, Conway Street, St. Heller, Jarsey, Channel Islands. Tel: Jersey (0534) 34373 or 34387. Telex: 4192013. Tel: London (01) 523 8711.

Standard Chartered Benk, Securities Department, GPO Box 21. Central, Hong Kong. Tel: 5-8422321 or 5-8422322 (English). 5-8422675 or 5-8422734 (Chinese).

Telex: 73230.

Registered Office P.O Box 309, Cayman International Trust Building. Grand Cayman, Cayman Islands, 9ritish West Indies.

ADMINISTRATION AND ADVISERS hivestment Adviser Scimitar Asset Management Limited, 33–36 Gracechurch Street, London EC3V OAX.

Hong Kong.

Managers, Secretary and Registrar Scinitar Asset Management (C.L) Limited, P.O. Box 330, Standard Chartered House, Conway Street, St. Helier, Jersay,

Channel Islands. Bankers
Standard Chartered Bank (C.I.) Limited,
P.O. Box 99,
Standard Chartered House,
Conway Street,
St. Helier.

Jersey, Channel Islands, Peat, Marwick, Mitchell & Co., (Chartered Accountants), Equity & Law House,

Jersay, Channel Islands. Legal Advisors to the Company In the Cayman Islands:

Meples and Calder, P.O. Box 309,

St. Heller.

Cayman International Trust Building, Grand Cayman, Cayman Islands, British West Indies. in Hong Kong: Slaughter and May, 27th Floor, Two Exchange Square, Hong Kong. Standard Chartered Bank, GPO Box 21.

4-4A Des Voeux Road Central. Hong Kong Standard Chartered Bank, Mexwell Road, P.O. Box 1901 Standard Chartered Bank A.G.,

P.O. Box 4322, CH-8022 Zurich

all of: Standard Chartered House,

both of: 33-36 Gracechurch Street, London EC3V OAX.

Jersey,

Hong Kong Representative Standard Chartered Bank, GPO Box 21, 4-4A Des Voeux Road,

Custodian Standard Chartered Trust Company (C.I.) Limited, P.O. Box 284, Commercial House, Commercial Street, St. Helier,

Jersey, Channel Islands. 1 Finsbury Avenue, London EC2M 2PA.

in Jersey: Jersey, Channel Islands.

in the United Kingdom; Linklaters & Paines, Barrington House, 59-87 Gresham Street, London EC2V 7JA.

THE COMPANY

Over the last few years both institutional and private investors have been faced with a revolution in the financial markets of the world, which has greatly increased the investment opportunities available to them. This however has brought additional problems, which arise from the difficulty of assimilating the volume of data which is available, and in assessing and controlling the level of risk and degree of individual market exposure in a global portfolio.

Scimitar Worktwide Selection Fund has been established to meet the needs of both the individual and institutional investor, who require an international spread of investments in either the equity or bond markets of the world. The Company has been structured so that the shareholders may switch between investments in equities or bonds by simply converting Participating Shares from one class to another.

This ability to convert between Class Funds enables an investor to vary his exposure to e particular market quickly and with the minimum of effort and cost. Thus e policy of investment in an aggressive growth economy, echieved, for exemple, through holding sharas in the Pacific Basin Equity Fund, can be easily switched to e defensive income-oriented investment by converting into an appropriate Bond Class Fund.

INVESTMENT POLICY & OBJECTIVES

The day to day management of the underlying investments in each Class Fund is undertaken by the Managers in accordance with the policy guidelines laid down by the Directors and with advice from the Investment Adviser. The Directors believe that in today's international market place, the correct starting point for investment decienors is an analysis of the mejor economic and demographic forces operating throughout the world. This is commonly known as the "top down" epipoach to investment management and it enables conclusions to be drawn about the likely trends in economic growth, inflation and interest rates across the world.

likely trends in economic growth, inflation and interest rates acrosa the world. This approach also highlights the individual market sectors in across which are likely to benefit most from the perceived trends. In this wey the Directors, through each Class Fund, will aim to exploit the most promising eraes of economic activity throughout the world. As a consequence of this approach to investment management, with its emphasis on country and sector weightings, the Company's portfolios will be primarily invested in the larger companies within each sector or market, thus ansuring that the essets within each Class Fund can be readily liquidated if required.

The Class Funds initially being offered are as follows:—

Equity Class Funds

The objective of long term investment in equities is to produce capital growth so that the investor is adequately rewarded for foregoing the capital security and higher income that could have been received by investing in the money markats.

Such growth is to be anticipated, because an investment in equities is an investment in the wealth producing sector of the economy. Thus if the economy grows in velue, so too should company profits and share values. Certain sectors of each economy tend to grow faster than others over periods of time and it is for this reason that the Directors believe that e"top-down" approach to investment management is likely to produce above average returns, The individual Equity Class Funds are as follows:

American

The North American economy is one of the strongest in the world and accounts for half the world's economic output, World growth is therefore highly dependent upon growth within North America, The Directors anticipate that 1986 will see a resurgence of activity in this economy,

European With the increasing internationalisation of investment, the European markets are playing an increasingly important role in terms of global asset management. The stock markets have been using strongly over the last two years from a historically undervalued level, However, selective investment still seems likely to produce attractive returns,

Over the last decade the Japanese economy has proved to be one of the strongest and this has been reflected in the stock market. It would now seem that Japan's role as an exporter is coming under pressure, thus weakening the growth rates of the companies in this area. The prospects for domestic suppliers are improving however, offering good opportunities for investors.

While in valuation terms the Japanese stock market dominates the Pacific Basin, there are a number of other countries within the region which offer attractive investment opportunities. The Managers will therefore select investments in a wide range of compenies quoted on stock exchanges primarily in Australia, Hong Kong, Singapore and Malaysia as well as Japan, Additional Investment opportunities may arise in the smaller economies of the Pacific in such as Thatland, Korea and Teiwan. If appropriate, such investments will be included in the portfolio. Washawide

Worldwide

For those investors who prefer to rely on professional expertise for their decisions regarding global asset distribution, the Managers have formed the Worldwide Fund. The Investment policy will be determined in accordance with the "top down" approach described above, in determining the relative asset weightings, the Managers will be influenced to a very considerable degree by the according and political situations in each region.

Normally the Company will only invest in equity accurates which are listed or dealt in on major

stock exchanges or in securities markets which are subject to proper control. Should the Managers consider it in the best interests of the shareholders to invest in any other equity securities, the total of any such holdings will be limbed to 10 per cent. of the net asset value of the relevant Class Fund. **Bond Class Funds**

Bond Class Funds Investment in longer dated fixed payment securities normally provides a good degree of long term capital protection, whilst providing a reasonable level of income. Traditionally, longer dated securities have tended to provide higher yields to compensete for the increased degree of capital volatility that can be experienced ovar the short term. This is not always the case however, and enhanced total returns can be achieved by adopting a constructive management approach to bond portfolios. Of significant interest at present is the fact that all major bond markets provide returns substantially above their domestic inflation rates. The individual Bond Class Funds are as follows: --

As the dollar is the world's reserve currency, movements in dollar interest rates and bond yields have effects on markets all eround the world. It is likely that any major changes in the trend of interest rates will be led by the American markets.

Offers the possibility of longer term capital growth without dividends. In volatile merket conditions, the value of the Class Fund may fluctuate to a greater extent than that of Class Funds paying dividends. Up to 25 per cent. of the Class Fund's essets may be invested in non dollar

Valued in sterling, this Class Fund aims to provide investors with an income based on Sterling Bonds producing a yield comparable to the rate of return on British Government Securities

European Currency Unit
Valued in ECU, this Class Fund will invest in bond markets of European Economic Community
member states and in ECU Bonds. Ordinarily at least 50 per cent. of the portfolio will be invested
in bonds denominated in ECU's. This should minimise the risk from currency fluctuations.

Worldwide
The Worldwide Class Fund has been formed for investors who prefer to rely on profassional expertise to decide in which bond markets to invest. This Fund, valued in US dollars, will invest in US dollar bond markets as well as other bond markets worldwide. Investment strategy, in common with the Worldwide Equity Class Fund, will follow e "top down" approach, as

New Class Funds may be created from time to time in response to changes in the investment market. Details of any new Class Funds will be circulated to all shareholders.

starenoiders.

The investment policies described in this prospectus will be adhered to for at least three years following listing of the Participating Shares.

It should be appreciated that the value of a Participating Share and the income from it can fall as well as rise.

MANAGEMENT

The Managers, Investment Adviser and Custodian are ell companies within the Standard Chartered Group whose members are engaged in banking, invastment menagement and other financial services. The Group has more than 2,000 offices worldwide in over 60 different countries. The share capital of Standard Chartered PLC, the Group's holding company, is listed

Menagers
Scamitar Asset Management (C.I.) Limited, which was recently incorporated, has been appointed Managers. They are responsible to the Directors for management of the Class Funds in accordance with the investment policy of each Fund laid down by the Directors and for the Company's edministration, acting as he Registrar end Secretary. Hon. Michael D'A. Benson, Oliver J. C. Oakes and Christopher Dickinson who are Directors of the Company are also Directore of the Managers. The other Directors are the following:

— Barry John Philips, 38, British. Secretary of Standard Chartered Bank (C.I.) Limited and a Director of Standard Chartered Trust Company (C.I.) Limited. He joined the Bank in 1982 after three years as financial controller at RoyWest Trust Corporation (Jersey) Limited. Prior to that he was with Coopere & Lybrand.

Coopere & Lybrand.

Richard Charles Herrison Terdre, 46, British. A Director of Standard Chartered Bank (C.I.) Limited end a Director of Standard Chartered Fund Managera (C.I.) Limited. He joined the Bank in 1963.

Howard John Dolling, 44, British. A Director of Scimitar Asset Management Limited with responsibility for administration, he joined the Company in July 1985 after 28 yeers with Lazards where he was the Manager in charge of the Securities Department and the administration of Lazard Securities Limited. Lazard Securities Limited

Peter William Weller, 54, British. General Manager, United Kingdom and Irish branch operations for Standard Chartered Bank and a Director of various Standard Chartered subsidiaries including Standard Chartered Benk (C.I.) Limhed. He joined the Bank in 1955.

Scimitar Asset Management Limited hes been appointed the investment Adviser to the Managere. It has been established in order to expand Standard Chartered Group's investment management operations in London and to co-ordinate and expand its worldwide investment. The Investment Adviser has brought together a team of experienced professionals from many different UK financial institutions who adopt a highly disciplined approach to global asset

Standard Chartered Trust Company (C.I.) Limited has been appointed Custodien of the Company's assets, its rasponsibilities include holding all of the Company's assets in safe-keeping. Redemptions and dividends are paid by the Custodian from the assets of the Company.

Hong Kong Representative
The Company has, by an Agreement dated 20th Merch, 1986, appointed Standard Chartered
Bank as the Hong Kong representative (the "Hong Kong Representative") to represent the

Company and the Managers in Hong Kong generally in relation to the affaire of the Company, Aa part of its function, the Hong Kong Representative will receive applications for Participating Shares from prospective investora in Hong Kong and the Far East, strange for the issue of share certificates to successful applicants, deal with enquiries from shareholders and maintain liaison with the Hong Kong regulatory authorities. The feea and axpenses of the Hong Kong Representative as Hong Kong representative will be borne by the Company. Copies of the Memorendum and Articles of Association of the Company may be obtained from

the Hong Kong Representativa at its address shown above at the price of HK \$50. Further details of the Management, Investment Advisory, Custodian and Hong Kong Representative Agreements are set out under "General Information" below.

DEALING INFORMATION

Publication of Prices Following the initial offar, the subscription and redemption pricas of each class of Participating Shares (including the Managers' initial charge) will be published in the Offshore and Overseaa Funds section of the London Financial Times and in the Hong Kong South China Morning Post.

Applications may be made either by telex (Telex No 4192013) or on the attached Application Form. Peyment should be made in the currency shown opposite each cless of Participating Shares. If applicants wish to apply in other currencies, they should refer to the paragraph headed "Foreign Exchange Transactions". Full details of the application end payment procedures (including the issue of contract notes and share certificates) are set out below under the peregraph headed "Application Procedures". Shares will be issued in registered form. Fractions of a Participating Share will be issued (to the nearest thousandth) enabling the issue of

Participating Shares to equete to the aubecription moniae received. Participating Shares will normally only be allotted against receipt of cleared funds by 3.30 p.m. on the Dealing Day in question.

After the close of the initial offer, the subscription price at which Participating Shares will be issued will include the Managers' initial charge and be calculated by reference to the net asset value of the relevant Cless Fund.

Conversions from one cless of Penticipating Share to another may be made in respect of Penticipating Shares with a value of not less than \$2,500 for the equivalent in Starling or ECU) provided that the value of any Participating Shares of the clear reteined by the shareholder is not less than the minimum shareholding for that class. The Managers may at thair discretion permit conversion of smeller emounts.

In order to convert all or part of a holding, shareholders should deliver the relevent share certificate for not less than the number of Perticipating Sheres to be converted to the Menegere with the request for conversion on the reverse of the certificate duly completed.

A request for conversion in respect of Participating Shares for which no certificate has yat been issued, must be meda in writing to the Manegere detailing the number end class of Psrticipating Shares to be converted. Buch a request must be signed by sill the psrties in whose names the original certificate would have been issued. Details of charges payable on conversion are given in the paragraph headed "Fees and Chergee".

Redemption

On and after 8th Mey, 1986, Participeting Shares of each class may be redeemed at prices based on the net sssat value applicable to each Participating Share in issue or deemed to be in issue emived et on a mid-market basis, after providing for liabilities applicable to that Class Fund end the costs which would be payable on a disposal of the whole portfolio. The total may then be rounded downwards 9y not more than one per cent. The Menagers are entitled to the benefit of the rounding-down adjustment. The Managers may purchase Participating Shares submitted for redemption et not less than the redemption price calculated as above.

In order to redeem all or part of a holding, a shareholder should deliver the relevant share certificate with the form of redemption on the reversa duly completed. Unless the number of Participeting Sharea or value to be realised is specified, an application for redemption will be taken to apply to all the Participating Shares represented by the share certificate received. Where a request is made for redemption in respect of Participating Shares for which no certificate has yet been issued, it should be in writing detailing the number and cleas of Participating Shares to be redeemed duly signed by all the parties in whose names such cerdificate would have been issued.

The net redamption or sale proceeds will normally be paid by the Managers within fifteen business days following the relavant Daaling Day or data of receipt of the duly renounced certificate if Ister. Payment will be made by cheque sent by post at the spolicant's risk, unless tha shareholder requests a telegraphic trensfer which will be implemented at the shareholder's

When part only of the Participating Shares represented by one certificate is redeemed or sold, s cartificate for any balance of Participating Shares will be despatched, normally within one calandar month of the redemption or sale. General

Participating Shares may be issued, redeemed or converted on any Desling Day and provided that the Manegers raceiva proper instructions prior to 3.30 p.m., applications and requests for, redemption and conversion will be dealt with on the Dealing Day on which instructions are given. Any such applications or requests received after 3.30 p.m., will be held over until the next Dealing

In the event of a temporary suspension of valuations of any Class Fund, requests for conversion and redemption may be withdrawn. Further datails are set out in the paragraph headed "Temporery Suspension of Valuations",

A Nominee Facility will be available which will simplify the procedure for redemptions and conversions. Investors wishing to use this service should tick the appropriate box on the attached Application Form or specify the same in their application talex. Participating Shares may be trensferred by common stock transfer form.

DIVIDEND POLICY

The net income of each Class Fund, other than the Zero Coupon Fund, comprising dividends and interest received from underlying investments, less expenses applicable to the relevant Class Fund, will be distributed to the respective class of sharaholders by way of dividend. The amounts payable on each Participating Share will vary according to the investment policy of the Class Fund and, in particular, no dividends will be paid to shareholders in the Zero Coupon Fund, Dividends will be paid half yearly in, May and November to shareholdes on the register at 31st March and 30th September respectively, commencing in November, 1986, in the currency in which the Participating Shares are designated. Upon request, the Managers will arrange for dividends to be paid in other freely convertible and available currencies. Normal banking charges will be made for this service, investors should apecify in their telex applications or on the entached Application Form if they require the dividends to be reinvasted. Dividends will be psid without deduction of Jersey Income Tax, except to Jersey residents.

As stated above, dividends will be paid in the currency in which the particular class of Participating Share is designated, on all classes other than on the Zero Coupon Fund where no dividend will be paid.

Depending on their personal circumstances, it may be of particular interest to chareholders to riselves of the reinvestment procedures and have the dividends payable to them on any avsit themselves of the retrivestment procedures and have the dividends payed to them on any class of Participating Shares (other than the Zaro Coupon Fund) applied in the ecquisition of further Participating Shares of that class. Furthermore, the collection and credit to a shareholder's bank account of relatively small amounts of foreign currency can attract bank charges which are disproportionately high in relation to the value of the dividend.

charges which are disproportionately high in relation to the value of the dividend. Sharaholders may elect to heve their dividends reinvested either on completion of the appropriate section of the Application Form or at any time by written request or telex to the Managers, or by request in an application telex. Where a shareholder so elects, the Managers will issue a dividend voucher, but arrange for retention of the dividend payment and its reinvestment in further Participating Shares of the sama class at the current subscription price ruling on the relevent dividend payment date. A contract note will be issued dated as at such date detailing the number and class of Participating Shares acquired and the subscription price. Certificates for such Perticipating Sheres will be issued within one calendar month of such dete. In the event of e suspension of valuation of any class of Participating Shara, rainvestment will be made on the next Dealing Day.

VALUATIONS Subscription and rademption prices will normally be calculated by valuing the underlying investmenta in each Class Fund on a mid-market basis. In exceptional circumstances the Menagere mey, if in their opinion it would be in the best interests of the shareholders to do so, ith the consent of the Auditors, make valuations on s bid and offer price basis Monatary instruments including traesury bills, bank ecceptances, trade bills, certificates of deposit and almilar essets will be velued by the Menagers in eccordance with normal dealing practice. The value of unquoted investments, if any, will be calculated on a basis determined by the Menagers with the Auditors' approval. Invaetments for which there are stock exchange quotetions or other public market prices will be valued at mid-market prices available at the latast

closa of Ousinass on the previous Dealing Day, Dividends, accrued imerest end other payments due to the relevant Class Fund but not yet raceived will be included and any expenses, provisions and liabilities will similarly be deducted. In certain circumstancea, valuation of a Class Fund may be suspanded end during any such panod of suspension no Participating Sheree of that class to which the suspension relates may be issued jother than those already ellottady, redeemed or converted. Details are set out in paragraph 5 of "General Information"

FEES AND CHARGES

Initial Charge The Articles of Association provide that the Managers may meka an initial charge to subscribers for Participating Sharea not exceeding 5 par cent. of the subscription price. The Managers' initial charge on subscription for the initial offer is \$0.40, £0.40 or ECU 0.40, as appropriate, which is included in the initial aubscription price.

On Conversion Conversion betwaan Class Funds will normally be effected free of charga at velues which axcluda tha Menegere' initiel charge. However, efter the first three conversion trensactions undertaken for a shareholder in any one calander year, a charge for administration costs will be made by the Menagers by the inclusion of an initial charge not axceeding 1 per cent. of the subscription price of the Pardcipating Sharaa into which conversion is to be made.

Managers' Fees Under the agraement with the Managers, referred to in paragraph 10 of "General Information", the Company will pey the Managers a monthly fee of one twelfth of 1 per cent. of the net asset value of each of the Class Funds as at the last Dealing Day in each month. Out of these fees, the Menagere ere obliged to meet the fees of the Investment Adviser and all their own expenses, including those releted to registration, advisory and ascreterial duties.

Custodian's Fees Under the agreement with the Cuatodien, referred to in paragraph 10 of "General Information", the Company will pay a monthly fea of one twelfth of 0.25 per cent. of the net asset value of each Equity Class Fund and one twelfth of 0.125 per cent. of the net asset value of each Bond Class Fund, subject to a minimum of \$5,000 per annum per class.

Investment Adviser's Fees Under the agreement with the investment Adviser referred to in paragraph 10 of "General Information", the Mansgers will pay the investment Adviser a monthly fee of one twelfth of 0.375 per cent. of the net asset value of asch Class Fund.

Hong Kong Representative's Fees Under the agreement with the Hong Kong Representativa referred to in paragraph 10 of "General Information", the Compeny will pay the Hong Kong Representative such reasonable fee (if any) as may be agreed between them and will reimbursa all the expenses of the Hong Kong Representative incurred in carrying out its duties under the agreement.

The Company
The Company is responsible for ita own operating expenses. These include audit and legal fees, fees and expenses payable to Directors, stamp and other duties and charges incurred on the ecquisition and realisation of investments. The Company will also pay expenses incurred on any issue of Participating Shares, the cost of obtaining and maintaining the listings on The Stock Exchange in London and any other stock exchanges upon which the Participating Shares are for the time being quoted or listed, and the cost of publishing prices. In addition, certain out-of-pockat expenses of the Managers, the Hong Kong Representative and the Custodian in relation to their services will be borne by the Company. to their services will be borne by the Company.

Commissions Out of the initial charge the Managera may pay commission to any authorised agenta at retas which are available from the Managere.

TAXATION

Prospective investors may be resident in many jurisdictions. They should escertain from their professional advisers the consequences to them of acquiring, holding, redeeming, selling or converting Participating Shares under the relevant laws to which they are subject, including the tax consequences and any exchange control

The following atstements are based on advice received by the Company regarding the law as enacted in the jurisdictions mentioned below, and are subject to changes therein

The Company is incorporated in the Cayman Islanda. Under the system of taxation presently in The Company is incorporated in the Cayman Islands. Under the system of taxabon presently in force in the Cayman Islands no local taxes will be chargeable on any income, profits or capital gains of the Company or on any dividends payable by the Company. The Company has applied for snd anticipates that it will receive an undertaking from the Cayman Islands authorities that, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing eny tax to be levied on profits or income or gains or appreciations shall apply to the Company or its operations and that no such tax shall be payable on the shares, debentures or other obligations of the Company. The annual fixing fee payable each year by the Company in the Cayman Islanda is currently the equivalent of \$1,585.

The Directors do not consider that the Company is resident for tax purposes within the Cayman Islands, United Kingdom or Jersey and it is their intention to conduct the affairs of the Company so ae to enaure, so far as practicable, that it will not become so resident or be deamed to be a close company if it were resident in the United Kingdom. The Company does not intend to

establish a fixed place of business outside the Cayman Islands.

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so for as they consider reasonable, taxation suffered by the Company. Hawever, the Company will make investments in many different jurisdictions and some of the Company's income and gains will be subject to withholding and other taxes. It is not enticipated that the Company will benefit from any treaties for the relief of double taxation in respect of income which is subject to such

Shareholders Shareholders
Under the system of texation presently in force, shareholders will not be subject to any tax in the
Cayman Islands or in Jersey (other than persons resident in Jersey) in respect of any Participating
Shares owned by them. The Company has applied for and anticipates that it will receive an
undertaking from the Cayman Islands' authorities that, for a period of 20 years from the date of the undertsking, no tax in the nature of estate duty or inheritance tax nor eny tax to be levied on profits or income or gains or appreciation shell be payable on the Participating Shares. United Kingdom taxpayers should note that dividends received from the Company will be subject to taxation as income and that the Company will not apply for certification as a distributing fund under the provisions of the Finance Act 1984. Accordingly any gain made on a disposal of Participating Shares will be treated as income: Conversion of Participating Shares will be treated as income: Conversion the United Kingdom for taxadon purposes, should not rank as a disposal for the surposes of charging tax ourposes of charging tax.

Except in the ceas of persons carrying on a business of trading in securities in Hong Kong, no tax will be payable in Hong Kong in respect of dividends paid by the Company or in respect of eny capital gains ansing on a sale, redemption, conversion or other disposal of Participating

FOREIGN EXCHANGE TRANSACTIONS

Psyments may be tendered or requested in freely convertible currencies other than those in which the Perticipating Shares are designated. The necessary foreign exchange transactions will be arranged by the Managers at the risk and cost of the applicant.

REPORT AND ACCOUNTS

The ennual report and euclited accounts relating to the Company will normally be made up to 31st Merch of each year with internal accounts made up to 30th September. In either case, if such a day is not a business day, the accounts will be made up to the day immediately preceding such business day. Copies of the accounts will be sent to all persons on the register of members et the relevent record dates.

MEETINGS

Notices convening the Annual General Meeting will be sent to shareholders together with the annual report and accounts of the Company, not later than 21 days before the date fixed for the meeting, which will be held in Jarsey.

GENERAL INFORMATION

1. Share Capital and Constitution

The Company has an authorised stare capital of \$10,000,100 divided into 100 Founders Shares of \$1 each, all of which have been issued fully paid to the Managers and 1,000,000,000 Unclassified Shares of 1 cent each available for issue as Participating Shares or Nominal Shares. The constitution of the Company is defined by its Memorandum and Articles of Association (the "Articles"). The Articles may be smanded by a special resolution passed in accordance with Cayman Law, involving a resolution passed by a two-thirds majority of those pressent at e General Meeting.

The Memorandum of Association of the Company provides that its principal objects are to carry on business as an investment holding company and the investment of its funds, inter also in starts, stocks and equities. The objects of the Company are set out in full in Clause 3 of the Memorandum of Association.

Except for issues of Participating Shares by reference to Net Asset Values and the issue of Nominal Shares as described herein, no material usue of shares will be made by the Company following the Initial Offer otherwise than to shareholders pro rate to existing holdings so as effectively to after control of the Company without, in either case, prior approval of the Company's Founders Shares, Dardopating Shares and Nominal Shares are set out below.

(a) Founders Shares

(a) Founders Shares
Founders Shares have been created so that Participating Shares may be issued with preference over another class of capital. They do not carry any right to dividends and are not redoemable. On a show of hands each holder of e Founders' Share who is present at a meeting has one vote and, on a poll, each such holder who is present in person or by proxy is entitled to one vote in respect of each Founders' Share held by him. They have been issued only to the Managers.

(b) Unclassified Shares
These ere unaliotted Shares which are available for issue either as Participating Shares or as Nominal

Shares.

(c) Participating Shares

Participating Shares are divided into classes as determined by the Directors from time to time. On or before eleptinent of any Participating Shares, the Directors are required to determine the class to which such Participating Shares shall belong and have determined that the initial classes of Participating Shares are as set out above. The Directors may in the furner designate new classes of Participating Shares. As monies payable on or in respect of a Participating Share including the subscription and redemption monies in respect thereoff are payable in the currency in which such Participating Share is designated or in such other currency as the Directors may deem appropriate. A separate Class Fund is meintained for each class [see Class Funds below]. On a show of hands, each holder of a Participating Share who is present at a meeting has one vote and, on a poli, each such holder who is present in person or by proxy is entitled to one vote in respect of each Participating Share held by him. Dividends may be paid to the holders of the Participating Shares of the relevant Class Fund available for distribution.

Id. Normanal Shares

(d) Normal Shares

Normal Shares may only be issued and redeemed at per and only for the purpose of providing funds for the repayment of the normal anount of Paracipating Shares redeemed. They carry no right to perocipate in income or capital profits. On a show of hands each holder of a Normal Share who is present at a meeting has one vote end, on a poli, each such holder who is present in person, or by proxy is entitled to one vote in respect of each Normal Share held by him.

The Managers are obliged to subscribe for Nominal Shares for cash at per when Participating Shares steemed, unless the Directors decide that the nominal amount of such Participating Shares is to be med out of profits. Nominal Shares may be converted into Participating Shares by the payment of the Subscription Price

less the nominal value thereof. Further information in respect of rights on s winding-up are detailed in paragraph 7 below. rmination of Share Capital

The nominal share capital of each class will be credited in dollars in the books of the Company and the
assisted Shares will be assued as Participating Shares in the currency in which such shares are to be

designated es set out above. 2. Class Funds
The Director

2. Class Ferrids
The Directors are required to establish a Class Fund for each class of Participating Shares.
The proceeds from the altoment and issue of each class of Participating Shares (whether or not requiring conversion into some other currency or currencies) will be applied in the books of the Company to the Cleas Fund established for that class of Participating Shares, and the assets and leablings and income and expenditure attributable thereto will be applied to such Class Fund subject to the provisions of the Articles.
The proceeds from the conversion of Nominal Shares into Participating Shares of any class, together with an emount equivalent to (or as near as possible equivalent to) the normal value thereof, will be applied in the books of the Company to the Class Fund established for that class of Participating Shares.

Where any asset is derived from another asset (whether cash or otherwise) such derivative asset will be applied in the books of the Company to the same Class Fund as the asset from which it was derived and on each revaluation of an investment the increase or dimension in value will be applied to the relevant Class Fund.

Subject as provided in the Articles, the Directors have the following powers:—

[i] In the case of any asset of the Company (not being attributable to the Founders Shares or Nominal Shares) which the Directors do not consider as attributable to a particular Class Fund, the Directors will have the discretion to determine the basis upon which any such asset shall be allocated between Class Funds and to vary such basis.

(ii) Where the assets of the Company attributable to the Founders Shares or the Nominal Shares give rise to any net profits, the Directors may allocate assets representing such not profits to such Cleas Funds as they deem equitable. (iii) To determine the besit upon which any liability shall be ellocated between Class Funds (including conditions as to subsequent re-allocation thereof if circumstances so permit or require) and to

(iv) in the books of the Company, to transfer any assets to and from Class Funds if, as a result of a creditor proceeding against certain of the essets of the Company or otherwise, a liability would be borne in a different manner from that in which it would otherwise have been borne, or in any similar circumstances.
Except in the case of liquidation, the assets so held in each Class Fund era to be applied solely in respect hares of the class to which such Class Fund reletes.

Redemption Compulsory Re

(a) Compulsory Redemption
If at any time after 30th Merch, 1987 the Net Asset Value of any one class of Perticipating Shares shall
on a Dealing Day be less than \$2,000,000 or its equivalent in starling or ECU, the Company may by not less
than 4 weeks induce (expiring on a specified Dealing Day) to all holders of Perticipating Shares of that class,
within 4 weeks after the expiry of such period, redeemst the Redemption Prica on the specified Dealing Day,
all (but not some) of the Perticipating Shares of that class not previously redeemed.

all (but not some) of the Perticipating Shares of that class not previously redeemed. If all the Perticipating Shares of any class are to be redeemed, the Directors may, with the sanction of an Extreordinary Resolution of the holders of Participating Shares of that class, divide amongst the said holders in specie all or any part of the essets of the relevant Class Fund.

All Perticipating Shares not praviously redeemed shall be redeemed by the Company at the relevant Redemption Prices calculated on 3 tan December, 2085 if that is a Dealing Day or, if it is not a Dealing Day, on the next following Dealing Day.

(b) Voluntary Redemption Subject to the provisions of Cayman Law and the Articles, the Company shall on receipt of s Redemption Notice by a holder (the "Applicant") of Participating Shares of any class and the appropriate share cartificate of any I redeem all or any portion of the Applicant a specified holding of Participating Shares on the terms and conditions contained in the Articles or produce the purchase thereof at not less than the Redemption Price less the rounding adjustment.

The redemption of Participating Shares will be made on the same Dealing Day on which the receipt of

Price less the rounding adjustment.

The redemption of Participating Shares will be made on the same Dealing Day on which the receipt of such Redemption Notice occurs provided that, should say such notice be received after 3.30 p.m., the Company may defer the redemption or purchase until the next Dealing Day.

In the evant that an Applicant should request the redemption of part only of his holding of Participating Shares and that such redemption or purchase would if carried out leave the Applicant holding less than the minimum holding for that class, the Company may if the Directors think fit redeem the whole of that Applicant's holding.

minimum holding for that class, the Company may if the Directors think not redeem the whole in the Applicant is holding.

If the determination of the Redemption Price is suspended beyond the day on which it would normally occur by reason of a suspension of not asset value as specified below, the right of the Applicant to have his Participating Shares redeemed or purchased shall be similarly suspended and during the period of suspension has may withdraw his Redemption Notice and his certificate (if any). Any withdraws of a Redemption Notice will only be effective if received by the Company before termination of the period of suspension. If the Redemption Notice is not as withdrawn, the redemption or purchase of the Participating Shares will be made on the Dealing Oay next following the end of the suspension.

The redemption of Participating Shares of any class will be made on terms that (subject to any requisite official consents first having been obtained) the Company will effect settlement of the redemption monies in the currency or currencies in which such class is designated for such other currency or currencies as the Directors have determined as appropriate) within 15 business days of redemption in accordance with the paying instructions given by the Applicant to the Company or its authorises agent outside the United Kingdom provided that the Directors are not so satisfied or no psyment instructions have been given as aforesald, settlement will be effected (subject to any requisite official consents first having been obtained by a remitation of the Class Fund or by cheque or in such other manner as the Directors may deem appropriate provided that the Company shall not be fasile for any loss or damage suffered or incurred by the Applicant or any other person as a result of or arising out of late settlement.

(c) Defend of Redemptions

any other person as a result of or arising out of late settlement.

(c) Deferral of Redemptions

If the number of Participating Shares of any one class otherwise falling to be redeemed or purchased on any Dealing Day is equal to one fifth or more of the total number of Participating Shares of that class in issue on that day, then the Directors may at their discretion refuse to redeem or procure the purchase of any Participating Shares of that class in axcess of one fifth of the total number of Participating Shares of that class in issue as afterested and if they so refuse, the Redemption Notice on such Dealing Day shall be reduced rateably and the Participating Shares to which each such notice relates which are not redeemed or purchased by reason of such refusal will be treated as if a Redemption Notice had been made in respect of each subsequent Dealing Day until the Participating Shares to which the original notice related have been redeemed or purchased. Redemption Notices which have been carried forward from an earlier Dealing Day will (subject to the foregoing limits) be complied with in priority to later requests.

If the number of Participating Shares of any one class falling to be redeemed or purchased on any Dealing Day is equal to one quarter or more of the total number of Participating Shares of that class in issue, then the Company may, or the discretion of the Directors and with the consent of the Applicant satisfy the relevant Redemption Notice by the transfer to that Applicant of eases of the relevant Class Fund which the number of Participating Shares of that class in issue, then the Company manufacting to the easests of the relevant Class Fund which the number of Participating Shares of that class to be redeemed by that Applicant bears to the total number of Participating Shares of that

class then in issue or deemed to be in issue. This will be adjusted as the Directors may determine to reflect the labilities of the Company attributable to that Class Fund provided that the nature of the assets of the relevant Class Fund to be transferred to any Applicant pursuant to the foregoing provisions shell be determined by the Directors to such basis as the Directors in their sole discretion shell deem equitable and not prejudical by the Directors of the remaining members holding Participating Shares of that class. For these purposes, the value of the assets shall be determined on the same basis as used in calculating the Redemption Price of the Participating Shares of the class being so redeemed.

[4] Redemption Price

in a sum ascertained by:

(i) determining the net asset value of the Participating Shares of the class concerned;
(ii) deducting therefrom, such sum as the Directors consider represents the appropriate provision for duties and charges which would be incurred on the assumption their all the investments comprised duties and charges which would be incurred on the assumption their all the investments comprised within the relevant Class Fund were being realised on the relevant Dealing Day; and

(iii) dividing the amount calculated above by the number of Paracipating Shares of the class concerned in issue or deemed to be in issue. The whole sum may be rounded down by not more than one per cent.

4. Conversion of Participating Steres

Subject as provided in the Articles, a holder of Participating Steres of any class (the "Original Class")
will have the right from time to convert all or any portion of such Participating Steres into Participating
Shares of another class (the "New Class") either sxisting or agreed by the Directors to be brought into

existence.

If the determination of the Net Asset Value of the Original Class or the New Class is suspended beyond the day on which it would normally occur by reason of a suspension of net asset value as specified above, the night of the Applicant to have his Perticipating Shares converted will be sentiarly suspended and during the period of suspension he may withdraw his request for conversion. Any withdrawal of a request for conversion will only be effective if received by the Company or its duly authorised agent before termination of the period will only be effective if received by the Company or its duly authorised agent before termination of the period of suspension. If the request is not so withdrawn, the conversion of the Participating Shares of the New Class to be ellotted and issued on conversion will be the return of Participating Shares of the New Class to be ellotted and issued in a coordance therewith so that the number of Participating Shares of the New Class to be allotted and issued is a multiple of one thousandth of a Participating Shares.

A-BxCxD

A is the number of Participating Shares of the New Class to be allotted;

B is the number of Participating Shares of the Original Class to be converted;

C is the redemption price per Participating Share of the Original Class ruling on the relevant Dear Day:

Day:

Day:

Dis the currency conversion factor determined by the Directors on the relevant Dealing Day as representing the effective rate of exchange between two relevant currencies where the assets of the Class. Fund of the Original Class are denominated in e different currency to that of the New Class. Where the assets of the Class Fund of both classes are denominated in the same currency the currency conversion factor shall be 1; and is the subscription price per Participating Share for the New Class ruling on the relevant Dealing Day (including the Menagers' reduced initial charge (as specified in the paragraph headed "Fees and Charges" above), if any).

5. Temporary Suspension of Valuations
The Directors may declare a suspension of the determination on any Dealing Day of the Net Asset Value of Participating Sheres of any class in the event that—
(i) by reason of the closure of or the suspension of trading on any market or stock archange or for any other reason circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable on that Dealing Day fairly to determine the Net Asset Value of Participating Shares of the class concerned; or

onares or the class concerned; or

(i) a breakdown occurs in any of the means normally employed by the Directors in ascertaining the value of Investments comprised within the relevant Class Fund or when for any other reason the Directors are of the opinion that they cannot reasonably ascertain the value of such investments or other assets of the Company comprised within the relevant Class Fund on the Desing Day concerned.

No Pericipating Shares of the class to which the suspension relates may be issued (other than those which have already been allotted) nor may Perticipating Shares of such class be redeemed or converted during a period of suspension. In the event of suspension, a shareholder may withdraw his redemption or conversion notice provided that notice of such withdrawal is actually received before the termination of the period of suspension. Where the request is not withdrawn, the day on which the redemption or conversion of the Participating Shares will be effected will (if later than the day on which the redemption or conversion would otherwise have been effected of there had been no suspension) be the Dealing Day next following the end of the suspension. The Managers may exercise the power of suspension under the Management Agreement.

6. Rights on a Winding-up in the event of the Company being wound up or dissolved, the Liquidator will apply the assets of the Company in spiritation of creditions' claims in such mander and order as he thinks fit. The Liquidator will in relation to the assets available for distribution among the members, make in the books of the Company such transfers thereof to and from Class Funds, as may be necessary in order that the affective burden of such creditions' claims may be shared between the holders of shares of different classes in such proportions as the Liquidator in his absolute discretion may think equitable. The assets available for distribution among the shareholders shall then be applied in the following

 A in the payment to the holders of the Participating Shares of each class of e sum in the currency in which that class is designated or such other currency as the Liquidator may permit or prescribe generally or in relation to a particular class of Participating Shares or in any specific case as nearly as possible equal (at the rate of suchange pravailing in the London Foreign Exchange market at a time selected by the Liquidator which is within the 14 days preceding the date of such payment). to the nominal amount of the Participating Sharet of such class held by such holders respectively provided that there are sufficient assets available in the relevant Class Fund to enable such payment to be made. In the swent that, as regards any class of Participating Shares, there are insufficient assets, available in the televant Class Fund to enable such payment to be made, recourse shall be had:—

insufficient assets available in the televant Class Fund to enable such payment to be made, recourse shall be had:

(a) to the assets of the Company not comprised within any of the Class Funds; and (b) thereafter, to the assets remaining in the Class Funds for the other classes of Participating Shares (after payment to the holders of the Participating Shares of the classes to which they relate of the amounts to which they are respectively entitled under this paragraph (ii) pro rata to the total value of such assets remaining within each such Class Fund;

(ii) In the payment to the holders of the Company not comprised within any of the Class Funds remaining after any recourse thereto under sub-paragraph (iii) above, in the event that there are insufficient assets as aforesaid to enable such payment at full above, in the event that there are insufficient assets as aforesaid to enable such payment at full above, in the event that there are insufficient assets comprised within any of the Class Funds;

(iii) In the payment to the holders of the Founders Shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within any of the Class Funds remaining after any recourse thereto under sub-paragraph (ii) above, in the event that there are insufficient above, in Monthal Shares under sub-paragraph (ii) above, in the event that there is the insufficient above, no necesses sliall be had to the assets comprised within any of the Class Funds. (iii) in the payment to the holders of Participating Shares of each class of any balance then remaining in the relevant Class Funds, such payment being made in proportion to the number of shares of thet class held;

(iv) In the payment to the holders of Participating Shares of each class of any balance then remaining in the relevant to the holders of Participating Shares of each class of any balance then remaining in the relevant to the holders of Participating Shares of each class of any balance then remaining the said the class field.

(v) in the payment to the holders of Participating Shares of each class of any balance then remaining and not comprised within any of the Class Funds, such payment being made in proportion to the number of Participating Shares held. 7. Articles of Association.
In addition to the provisions summarised above, or referred to abswhere herein, the Articles contain.

ns, inter alia, to the

(a) Investment Restrictions

No investment shall be acquired which would immediately after the acquisition result in:

(i) the value of the investments of any one Class Fund issued, made, accepted or guaranteed by any one lastier exceeding 10 per cent; of the value of the asset of such Class Fund; or one lastier exceeding 10 per Class Fund's holding of any investment exceeding 10 per (ii) the total nominal-amount of any one class Fund's holding of any investment exceeding 10 per cent. of the total nominal amount of all issued securities of the same class in the corporation or other issuer in which such investment is held or made as determined immediately before such

(ii) the value of any one Class Fund's total holding of securities not listed or dealt in on a stock exchange learning holdings in any unit trusts or funds as specified below) exceeding 10 per cent. of the value of the assets of such Class Fund as determined immediately before such investment is acquired.

investment is acquired.

In addition, the total amount of one Class Fund's cash held on deposit with any one bank shall not exceed 10 per cent. of the value of the assets of such Class Fund.

Save as otherwise provided in the Articles, the Company shall not:

1 acquire any real property:

2 sell short or purchase securities on margin;

3 acquire any investment which is or is an interest in a commodity or which confers a right to purchase

a commodity;

4 acquire any units in a unit trust or shares in a mutual fund other than in unit trusts or mutual fundamenged by the Managers provided that there shall be no increase in the total of initial monies or annual fees payable to the Managers arising from the acquisition and holding of such units or shares or any other costs or charges borne or to be borne by the Company. Not more than 10 per cent, of the assets of the Company will be invested in unit trusts or mutual funds. Any unit trust or mutual fund in which investment is made will be authorised in Hong Kong:

5 make or guarantee loans to third parties without the prior written consent of the Custodian, Loans may be reade and the consent of the Custodian shall not be required where such loans consist of sums held on deposit with banks up to the limits specified in "investment Restrictions" above or loans which are evidenced by markousble dobt securines;

5 acquire any investment being s security of a class in a company or body if the directors and officers of the Managers in any securities of any class in a company if the directors and officers of the Managers individually own more than one helf of one per cent, of the total normale amount of all the issued in some circumstances, the Company may seek to protect or entirance the value of a personale release of

securities of that class.

In some circumstances, the Company may seek to protect or enhance the value of a particular class of anticipating Shares by the use of futures contracts. No call options upon investments may be written or sold respect of any Class Fund unless they are covered by corresponding investments. In entire case, the value is the futures contracts or call options shall not exceed to per cent. of the value of the assets of the relevant

Class Fund.

(b) Qualified Holders

The Directors shall have power (but shall not be under any duty) to impose such restrictions as they may think necessary for the purpose of ansuring that no Participating Shares are acquired or held by any person. The Directors may upon an application for Participating Shares or at any other time end from time to time require such evidence to be furnished to them in connection with any such breach.

A person who, being subject to the laws of a country, becomes aware that he holds or owns. Participating Shares in contravention of any law or requirement of that country shall forthwith deliver to the Shares to a person qualified to hold the same.

If it shall come to the notice of the Directors that any Participating Shares such Participating if it shall come to the notice of the Directors that any Participating Shares.

If it shall come to the notice of the Directors that any Panicipating Shares are owned directly or

Shares to e person qualified to hold the same.

If it shall come to the notice of the Directors that any Participating Shares are owned directly or beneficially by:—

(i) any person or persons in breach of any law or requirement of any country or governmental authomy by virtue of which such person is not qualified to hold such shares; or persons and whether taken slone or in conjunction with any other person or persons connected or not, or any other circumstances spearing to the Directors be person or persons connected of the Directors might result in the Company incurring any liability to taxation or suffering any other persons or the Directors shall be entitled to give notice to any such person or persons requiring him to transfer such to the Company in respect of such Participating Shares to a person who is qualified or entitled to own the same or to give a Redemption Notice to the Company in respect of such Participating Shares.

(a) Modification of Rights

Subject to the provisions of the Cayman Lilw, all or any of the special rights for the time being stached states of the class from time to time leving the consent in writing of the holders or not the Company is being wound up to editered or shares of the class from time to time (whether or not the Company is being wound up to editered or shares or the Register on the date on which notice of such separate general meeting of the holders of states or shares on the Register on the date on which notice of such separate general meeting of the holders of such separate general meeting is given.

To any such separate general meeting all the provisions of the Articles as to general meeting of the class with the service as the separate general meeting of the class with the service of proxy not less than one-third of the issued shares of the class shall be entitled or one meeting of such holders a quarum), and that every holder of shares of the class shall be entitled or one of the class shall be anothed in politic or provisions of Participating Shares provided the

of the second of the characteristic of the second of the second of the second of the characteristic of the cha

(b) Variation of Stare Capital

(d) Variation of Stare Capital

The Company may from time to time by Special Resolution increese its share capital by such sum provisions of the Articles with reference to payment, transfer, transmission, forfatture and otherwise,

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Participating Shares will be despatched to the first named Applicant.

e la company

9. Report of the Auditors of the Company's auditors to the Directors:—
Peat, Manueck, Mechal & Co.,
Equity & Lew House,
La Monte Street,
St. Helet,
Jersey, Subject to the provisions of Cayman Law, the Company may by Special Resolution from time to time reduce its share capital in any way, and in particular, without prajudice to the generality of the foregoing power (q) Clearance under Section 454 of the Income and Corporation Taxes Act 1970 that the provisions of Section 450 of that Act (cancellation of tax advantages arising from certain transactions in securities) will not apply has been given by the United Kingdom Board of Inland Revenue in relation to the issue, conversion and redomption of shares by the Company. (i) excinguish or reduce the liability on any of its shares in respect of share capital not paid up; or (ii) with or without extinguishing or reducing liability on any of its shares:—

1 cancel any paid-up share capital which is lost, or which is not represented by available assets; or 2 pay of any paid-up capital which is in excess of the requirements of the Company; and may, if and so far as is necessary, after its Memorandum by reducing the amount of its share capital first shares accomitate. (f) It is the interment of the Directors to seek a listing for additional Participating Shares as Jersey, Channel Islands is). No amount or benefit has been given or paid (or is intended to be given or paid) to any promoter. The Directors,
Scamter Worldwide Selection Fund Limited, Cayman International Trust Building,
P.O. Box No. 309,
Grand Cayman,
Cayman Islands,
British West Indies. (i) No part of the mittal offer of Shares is underwritten.
(ii) Legal or management control of underlying investments will not be taken. and of its shares accordingly.

The Company may by Special Resolution from time to sine alter (without reducing) its abere capital tuj Legal or management control of underlying investments will not be taken.

12. Decuments available for inspection
Copies of the following documents:—
(a) the Memorandum and Arbdes of Association of the Company;
(b) the material contracts referred to in paragraph 10 above;
(c) the Companies Law Cap. 22 of the Cayman Islands as amended;
(d) the Auditors' report referred to in paragraph 3 above and their tetter of consent referred to in paragraph 1 t above;

They be inspected during usual business hours on any markets. (Cataldam and takes before the consent referred to in paragraph 1 to above). 11th April, 1986 (i) consolidating and dividing all or any of its share capital into shares of a larger amount then its existing absence;

(ii) consolidating and dividing all or any of its share capital into shares of a larger amount then its existing absence;

(iii) consolidating and dividing all or any of its share capital into shares of a larger amount then its existing all sub-dividing its shares, or any of them, into shares of a small state of the shares of a larger amount then its existing all or any of them. existing wheres; substituting its states, or any of them, into shares of a smaller nominal amount than that fixed by its Nephrorandum of Association; or cancelling any shares which, at the date of the passing of the Special Resolution in that behalf have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the energy so cancelled. Dear Sirs,
Scimitar Worldwide Selection Fund Limited was registered under the laws of the Csyman latends on 18th March, 1985. As at the date of this letter, if has not commenced business and, accordingly, no accounts have been prepared and no devidends have been declared or part.

Your existingly. (4) may be inspected during usual business hours on any weekday (Saturdays and public holidays excepted) at the following offices:— Yours faithfully.
PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants. (e) Directors Remuneration
The Directors shall be entitled to such remuneration as may be determined by the Directors and approved by the Company in general meeting; Such remuneration shall be dearned to accure from day to the Directors and any attenues Directors may also be paid all praveling, host and other expanses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company.

The Directors may in addition grant special remuneration to any Director who performs any special or extra services at the request of the Company.

If Directors Interests. wing offices:—
(i) in Jersey: The Managers, P.O. Box 330, Standard Chartered House, Conway Street, St. Heter, Jersey. Charnel Islands;
(ii) in London; Linkleters & Paines, 59–67 Gresham Street, London EC2V 7JA, until 2nd May, 1986;
(iii) in Hong Kong; Slaughter and May, 27th Floor, Two Exchange Square, Hong Kong. following contracts which are or may be meteral have been entered into otherwise then in the ourse of business: The following contracts which are or may be material have been entered into otherwise then in the ary course of business:

(e) Managers under which the Company has appointed the Managers (subject to the overall supervision of the Directors and with full powers of delegation) to manage the Company's investments and its afforms efforts entitled that as Secretary and Registrar. Details of the fees payable to the Managers are set out under "Fees and Change;" above. The Management Agreement contains provisions indernifying and exempting the Managers from habitry not due to its own negligence or withild details. On any transaction with the Company, the Managers must deaf with the Company on an arm a-length bases but are actualed to recove the usual brokerage or commission. The Management Agreement may be terminated, where site, by where payable to the Managers required the agreement may be terminated, where site of the Company. Any other variations to the Management Agreement may be terminated, where site is the special of the terms of any new agreement do not differ materially from those under the Management Agreement of its other provide by an error to not differ materially from those under the Management Agreement of its payable to the fees provide the Management Agreement of its from a subject to approval by an error resolution, but no such approval is required if the terms of any new agreement to not differ materially from those under the Management Agreement of, in the case of a summon, if it does not managely provides the interests of shareholours.

(b) Custodian under which the Custodian was appointed custodian of the Company is assets and is paid a fee detailed under "Fees and Charges" above. Any increase in the fees payable to the Custodian require approval by a Special Retailation of the Company. The Custodian Agreement may be reministed when all and 90 days induced by either party on the others.

(c) Investment Advisory Agreement dated 20th March, 1985, between (1) the Company and (2) the Managers and (3) Dated 11th April, 1986. In Directors may no account grass agreement to the company.

(i) Directors' Interests

(ii) Directors may hold any other office or place of profit under the Company (other than the office of place of profit under the Company (other than the office and otherwise as the Directors may determine.

(iii) No Director or Intending Director shall be disquelified by the office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company interested be help to be evided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or attargament by reason of such Director holding that office or of the fidurery relationship thereby actabilished, but the nexture of his inversal must be declared by him at the nexture of the inversal six which the question of entering into the contract or arrangement is trust taken any consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested, and in a case where the Director becomes interested in a contract or arrangement is made, then at the first meeting of the Directors held after he becomes so interested, and in a case where the Directors becomes interested in a contract or arrangement in the nature of such interest shall be interested in the next following Directors. Report A general notice is writing given to the Directors held after he becomes so assurested and the nature of such interest shall be reported in the next following Directors. Report A general notice is writing given to the Directors bed in the next following Directors. Report A general notice is writing given to the Directors bed in the next following Directors in the same at a meaning of the Directors or shall sate reasonable steps to secure that the same at a following or the Directors **APPLICATION PROCEDURES** 1. General (a) Application may be made either by telex or on the Application Form. Applicants are advised to apply by telex wherever possible to avoid delay in the allotment of their Participating (b) Contract notes confirming the allotment of Participating Shares are despatched as soon as possible. Share certificates will be despatched at the applicant's risk within 28 business days of allotment. No temporary documents of title will be Issued. (c) Dealing Days will be any business day in Jersey. (d) The minimum initial subscription will be \$10,000 and may be subdivided into Participating Shares of an individual Class Fund with a minimum holding of \$2,500 or its equivalent in sterling or ECU in any Class Fund. Subsequant applications by existing holders for Participating Shares of the same class may be made for a minimum of \$2,500 or its equivalent in sterling or ECU. Smaller applications will be allowed at the Managers' discretion. (e) The Company reserves the right to reject an application in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by post at the applicant's risk. (f) Foreign exchange transactions: where payments in respect of allotment or redemption of Participating Shares are tendered or requested in a currency other than that in which the Participating Shares concerned are designated, the necessary foreign exchanga transactions may be arranged by the Managers on behalf of and for the account of the applicant or shareholder without responsibility with respect to either the Company or the Managers. so made.

(iii) Save as provided in the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debinaures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(iv) A Director shall fin the absence of some other material interest than is indicated below) be entitled to vote land be counted in the quorum) in respect of any resolution concerning any of the following statutes:— (g) All applications to the Managers should be in English failing which they will only be implemented at the Managers' discretion. Applications to the Hong Kong Representative may be in either English or Chinese. as detailed under "Feets and Charges" above. The Agreement may be terminated marrials of whether party growny the other 30 days" nouse in wrong or in the event of the Company cessing to be authorised in Hong Kong.

11. Miscoellamosus

(a) The Company is not angaged in any kingation and the Directors are not aware of any Inigetion or claims penging or threatened agents the Company.

(b) The Company does not own any freshold or leaseshold property and has not established any place of business in Great Brisan. In his no subsidiance or amployees.

(c) Save as disclosed in "Feet and Charges", no commissions, discounts, or brokerages will be paid by the Company in connection with the issue or sale of any capital of the Company.

(d) This prospectus shall have the effect, where an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions of Sections 82, 86 and 87 of the Company and Sections so concerned bound by all the provisions of Sections 82, 86 and 87 of the Company and All the provisions of Sections 82, 86 and 87 of the Company and Hong Kong (other than the penal provisions), so far as application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions of Sections 82, 86 and 87 of the Company and Hong Kong (other than the penal provisions), so far as applicable.

(d) The preliminary expenses of the Company and the expenses of the Initial issue (noting the application to The Sect Exchange in Landon for isturing amount approximately to the equivalent of SSSO.000. They are payable by the Company, but are nitially being borne by the Managers and creating 10 the Company over a penind other professional free, and stamp and other times and charges mounted in the Managers and the property incurred by them in connection with inthre issue of the Company and payable by the Company. The Company will also repay to the Managers and other to provide a special strip to the fact of sections of international professional field and payable strip to t (if) A Director shell in the absence of some other material interest than is indicated below) be estitled to vote land be counted in the quorum) in respect of any resolution concerning any of the following insume:

1 the giving of any security or indemnity to thirn in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
2 the giving of any security or indemnity to a third perty in respect of a debt or obligation of the Company for which he himself has sexumed respectability in whole of in part under a gustantees or indemnity or by the giving of security;
3 any proposal concerning so offer of sheres or debenuars or other securities of, or by, the Company for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting stereot;
4 Any proposal concerning any other company in materials, directly or indirectly and whether as an officer, shereholder or otherwriting stereot;
5 and whether as an officer, shereholder or otherwriting stereot;
6 and whether as an officer, shereholder or otherwriting stereot;
7 and whether as an officer, shereholder or otherwriting stereot;
8 and whether as an officer, shereholder or otherwriting stereot;
9 and whether as an officer, shereholder or otherwriting stereot;
10 and whether as an officer, shereholder or otherwriting stereot;
11 and the interest of any class of such company tony such interest of any class of such company (or of any class of such company) for a such stereother of the paragraph to be a statemal-interest in all critical stereother for the paragraph to be a statemal-interest in all critical stereothers are statematically interest of the relevant material interest shall be reported in the next tollowing Directors' Report.

1 Subject as provided in the Arcicles, the Directors may exercise all the powers of the relevant material and to insure other thereof, and to insure other provided that the Directors are satisfied that a ri 2. Telex applications (a) Telex applications should be worded in the same way as the application form. (Telex number: 4192013). (b) In addition, an applicant must instruct his bank to make the payment referred to in the for value on a specified data prior to 2nd May, 1986, as follows: "Please pay the sum of (state amount and currency) by telegraphic transfar to (state name and address of Correspondent Bank and account number) for the account of Standard Chartered Bank (C.1.) Limited is Scimitar Worldwide for value on (state date)." A list showing details of Correspondent Banks and account numbers to be used for the various currencies is set out below. 3. Written applications The Application Form should be completed and sent with a remittance in the currency as listed above for an appropriate amount by cheque or bankers draft payable to Scimitar Asset Management (C.I.) Limited. Alternatively, payment may be made by telegraphic transfer on the terms as set out in paragraph 2(b) abova. terms as set out in paragraph 2(b) abova.

Hong Kong residents may sand their completed applications, together with subscription moneys, to the Hong Kong Representative. Except where shares are bought over the counter, payment should be made by cheque or bank draft (made payable to Standard Chartered Bank and crossed "A/c Payee Only, Not Negotabla"), No cash should be paid to any salesman.

Cleared funds are required to be received before being invested. It should be noted that cheques, particularly for currencies other than sterling, may take a considerable time to clear and applications will not be dealt with until notification is received from the Company's bankers that the cheques have been cleared. borrowing is repayable.

Borrowing by any Clear Fund, excluding amounts borrowed in respect of which deposit is made as described in the preceding paragraph, shall be restricted so as to ensure that amounts outstanding from time to time do not exceed so amount equal to 25 per cent. of the value of the net assets of that Clear Fund.

No person dealing with the Company shall by research of the foregoing provisions be concerned to see or enquire whether this limit to observed, and no debt incurred or accurity given in excess of such thint shall be invalid or heffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the limit imposed had been or would thereby be exceeded. Payment by Telegraphic Transfer Payment by Telegraphic Transfer only may be made to the Correspondent Sanks detailed below. Such payments may be for any of the Class Funds and must be supported by a direct telex application. Hong Kong Dollers STANDARD CHARTERED BANK GPO Box 21. 4-4A DesVoeux Road, be invalid or interectable times a trip sensor or the recognition to the sensor who, an intervene the sensor was incurred or security given, express protec that the sink imposed had been or would thereby be exceeded. At indemnities

(i) The Directors, Secretary and other officers or servants for the time being of the Company shall be indemnitied and secured harmless out of the assers and profits of the Company from and against all schools, costs, charges, losses, damages and expenses, which they or any of them or any of their beins, administrators or executions shall or may incur or sustain by restored into or any set done, concerned in. Or minuted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such if any is a they shall incur or sustain by or through their own willul act, neglect or default respectively, and the amount for which such indemnity is provided shall immediately attach as a fien on the property of the Company and have principle as against the members over all other claims. None of the foreagoing stell be answerable for the acts, deceits, neglects, or defaults of the other or others of them. Or for joining in any deceit for the sake of conformity, or for any bankers, brokers, or other persons into whose hands any money or assets of the Company trany country, or for any bankers, brokers, or other persons into whose hands any money or assets of the Company or deficiency or deficiency of other country and be any paced out or, transfer any secutive, upon which any monetary of their persons property or their country and in the company and in the country of their persons and other or musts, or in relation thereto, unless the Same stell happen by or through their own willing act, neglect or default means and the Country and the Cou STANDARD CHARTERED BANK King William Street Branch, 73-79 King William Street, London EC4N 7AB, Telex 885951 (SCBL G) Central, Hong Kong. Telex 73230, 74750 or 83183 SCHN Account: Standard Chartered Bank (C.I.) Ltd re Scimitar Worldwide No. 11252162 Account: Standard Chartered Bank (C.I.) Ltd re Scimitar Worldwide No. 100-8-27-6-517-0 party so the other.

(b) Since the incorporation of the Company, save for the issue of the Founders Shares, the proposed issue of Participating Shares and, on redemption of Participating Shares, of Normal Shares, no capital of the Company has been assued fror is any capital proposed to be issued either for cash or fully or partly paid up otherwise than in cash US Dollars STANDARD CHARTERED BANK STANDARD CHARTERED BANK New York Breach, 160 Water Street, New York, U.S.A. Jelex 62521 or 232120 SCBNYC Fuji Building. 2-3 Manunouchi 3-Chome. (i) No capital of the Company is under option or agreed conditionally or unconditionally to be put under Chiyoda-Ku, Tokyo 100-91. (i) No capital of the Company is under option or agreed conditionally or unconditionally to be put under applicant. To 5.2, (1).

Strikingted Leach GBE, and Oliver J. C. Oakes are Directors of the Custodian, which is a party to the Custodian Agreement (described in paragraph 10 above) and which will receive a fee for its services theremone, thon, Michael O'A. Berson and Martin K. A. Wooker are Directors of the Investment Advisory Agreement (described in peregraph 10 above) and which will receive a fee for its services theremone. Save as disclosed herein, no Director has, or has had, any afterest, direct or indirect, in the promotion of the Company or in any savers which have been, since the data of incorporation of the Company, acquired or disposed of by or leased to the Company. None of the Directors has a material entered and by the Company which is againfacht in relation to the business of the Company.

(ii) None of the Directors has an interest in the share capital of the Company which would be required to be allowed in a register material under the provisions of the Company. Act 1985 of Great Britain if the Telex 62621 or 232120 (START UR) Account: Standard Chartered Bank (C.I.) Ltd re Scimiter Worldwide No. 21-1703453-01--- re Scimiter Worldwide No. 01-1360825 Interior, unless the Senior step improver by
Asspectively.

The Menager and the Custodien shell be entitled to such asternative from the Company upon such terms and subject to such conditions and exceptions and with senior entitlerant to have recourse to the seasons of the Company with a view to meaning and discharging the cost thereof as shall be provided under the Management. Agreement and the Custodien Agreement (as applicable) provided that no such indemnity shall extend to any maturers arising from their own waitul act. **Deutschemarks** STANDARD CHARTERED BANK Hamburg Branch, Domstrasse 10. 2000 Hamburg (h) None of the Directors has an interest in the share capital of the Company which would be required to be shown in a register maintained under the provisions of the Companes Act 1985 of Great Britain if the Company ware subject to the provisions of that Act.
(o) Sava in respect of the Founders and Nominal Shares of the Company (at of which are beneficially owned by the Managers) no person holds directly more than 5 per cern, of the share capital of the Company. Subject as aforesaid there are no persons who could jointly exercise control of the Company.
(a) Under the terms of the Management Agreement, exestments may be bought from or sold to the Company with the consent of the Directors by mambers of the Standard Chartered Group (other than the Custodian but including the Managers) and their respective clients, whether the member is ecting as principal or as agent. Any mamber or any such client envolved in any such transaction may charge, deceive and retain any commissions, discounts, losses or profits arising therefrom provided that, as a result of any such transaction, the Company is in no worse position than it would have been in if it had effected the transaction directly with a member of a stock exchange or otherwise in the open market. Telex 218-33771 (SCBH D) (i) Unclaimed Dividends

Dividends inclaimed after a period of 12 years from the date when they 5rst became payable shall be forfeited automotically and revert to the Company. Account: Standard Chartered Bank (C.I.) Ltd re Scimitar Worldwide No. 01-750-771201 Contract Notes and Certificates: Contract Notes will be sent to applicants or their agents showing details of each transaction. Any applicant who has not given the necessary status and residence declaration will be required to complete and return an application form to the Managers within one month. Certificates representing the Participating Shares issued will normally be despatched within 28 business days of allownent. However, they will not be issued before the Managers have received a satisfactory declaration. If no declaration is received within one month after the relevant Dealing Day, the Company may cancel the allotment. (e) There are no existing or proposed service agreements between the Company and any of its (b) The maximum aggregate amount of Directors' fees is \$2,500 per armum divisible amongst the Directors as they may agree.

(c) There is no share qualification for the Directors.

(d) There are no provisions requiring a Director to retire at a certain age. Scimitar Worldwide Selection Fund Limited

| Scimitar Worldwide Selection Fund Limited Application Form | | | Agents Stamp | (PLEASE USE BLOCK LETTERS) 1 Name of Applicant (in full) | 2 Nama of Applicant (in full) | |
|--|--|---|---|---|---|---|
| Fo: Scimitar Worldwide Selection Fun Scimitar Asset Management (C.L.) P.O. Box 330, Standard Chartered House, Conway Street, St. Holier, Jersey, Channel Islands, Tel.: (0534) 34373 or 34387 Telex: 4192013 I/Wa hereby acknowledge that I/Selection Fund Limited (the "Company" of the Memorandum and Articles of As | we have received a ') and that this application of the Co | For Hong Kong and Far East F Scimitar Worldwide Selection Fo Standard Chartered Bank, Securities Department, GPO Box 21, Central, Hong Kong Tel.: 5-8422321 or 5-8422322 5-8422675 or 5-8422734 Telex: 73230 Prospectus dated 11th April 19th Incation is made on the terms the Impany. | ! (English) ! (Chinese) 86 relating to Scimitar reof and subject to the of Participating Shares | provisions | Signature Date 3 Name of Applicant (in full) Address Signature Date Registration Particulars | Address |
| Equity Class | | Bond Class F | | | _ | d in the name(s) of the Applicant(s) overleaf unless |
| American | \$ | U.S. Dollars | - \$ | | this section is completed. All commun | nications will be sent to the first named registered holder. |
| . European | \$ | Zero Coupon | \$ | | | I must be named in this form. Shares may not be registered |
| . Japanese | - \s | Sterling | ECU | | in the name of:- | |
| Pacific Basin Worldwide | - - | European Currency Unit Worldwide | S | | (i) Any person under the age of 18 | 8 |
| For this purpose I/we enclose a rayable to Scimitar Asset Management | remittance for | | (s | see Nota 1) | | |
| I/We request that the Participatin | g Shares be register | | | | (PLEASE USE BLOCK LETTERS) 1 Name of Applicant (in full) | 2 Name of Applicant (in full) |
| I/We request that the Participatin ame(s) details should be provided). | g Shares be register ticloating Shares ar | e not being acquired directly or | indicactly by a U.S. D. | erson (Sae | • | |
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Woolworth hits out at Dixons

BY TERRY GARRETT

THE brickbats continued to fly over the weekend in the bettle for control of Woolworth Hold-

Mr Geoff Mulchay, Woolworth chief executive, said yesterday ferences between our husinesses

trical shops."

The bid is "timed to capitalise on the bard work we hove already undertaken and to enable Dixons to share in the benefits at your expense," he

Mr Mulchay has written to sharebolders setting out details of "Operation Focus," the plan to build on six key areas of merchandise which he ie confimerchandise which he is confident will significantly improve Although this was interpreted the performance of the oore as a blow to the Woolworth Woolworth chain.

The group admitted that the future of 23 stores, out of a total

of 850, was under review following a comprehensive study of the group's catchment aress, ings, which is fighting off an but these were only stores unwanted £1.65bn bid from where the location or size was wrong for the market.

The Woolworth camp was also questioning Dixons' plans of Dixons: "Nothing they bave for store closures should they said convinces us that they have be successful in winning control any understanding of the dif- of the giant High Street chain. While the defence is at pains and their chains of small elec-trical shops." to keep the fight on the real lssues of the strategy for the stores both in their content and number, the appointment of a

good monoger to implement the strategy remains an open The key position had recently been offered to Mr Tony Dignum, who was with H. Samuel, but at the end of last week Dignum joined Dixons as a

Extel chief fires salvo in Demerger bid battle

BY TERRY GARRETT

Extel Group, has written to sbarebolders over the weekend claiming that the Demarger less sanguine shout the Corporation's £170m bid is Ladbroke / Mecca cable televibased on fundamental mission system developed for their understandings of Extel's business and markets."

He also takes Demerger (DMC) to task over its offer wbich he 5ays "contains many errors and in-accuracies which demonstrate DMC's poor judgement and a disquieting level of ignorance of the realities."

Mucb of the debate has centred on increased competi-tion to Extel's sporting services At the that DMC's understanding of the nature of the compelition the nature of the competition." some improvement and are pro-facing Extel "is at best naive." some improvement and are pro-facing Extel "is at best naive." some improvement and are pro-dicting profits of around £12½m compared to £10.9m pre-tax for its systems are not under threat compared from the Press Association or the year. a new televised racing service run by Ladbroke and Mecca, as DMC suggests.

Mr Peter Earl, of Demerger, quickly shot back a reply yesterday: "They baven't got a

Press launched a racing results ser-vice in February. It is a com-the value of DMC's casb offer.

14th April 1986

Mr Alon Brooker, chairman of puterised system and still in a trial period. The Times Is taking it." Mr Earl is also taking it."

> own outlets than Extel, which has retained Coral and Hill among the major client chains, As Friday's closing date for the 400p s share offer looms. Extel has not made (and now must not make) a profit's forecast for the year to the end of last month. But Mr Brooker

said in his letter: "The year

just ended bas proved a reward-

At the halfway stage the group's profits had slipped by 4 per cent to £5m, although out-

Both camps were in confident mood yesterday about the out-come of the battle, with Mr Brooker saying "it seems to be going our way" and Mr Earl, "sensing support for our proposals." It could be a close run Association thing, bowever. On Friday

UNION BANK OF SWITZERLAND

(SECURITIES) LIMITED

A Member of the UBS Capital Markets Group

INTERNATIONAL ISSUE MANAGER AND MARKETMAKER

has appointed as

DEPUTY MANAGING DIRECTOR

Peter Engstrom

The Stock Exchange Building

London EC2N 1EY Telephone: 01-588 6666 Telex: 8811604

Charles Batchelor looks at Guthrie, which plans a listing in June

End. Two other executives were

while Openshaw, 47, had been company secretary of Guthrie

before the Malaysian takeover.

Many Guthrie executives left, refusing to believe there was

A return in a different guise

to take a long-term view and senior partner of accountants invest to give it a future and possible flotation."

senior partner of accountants invest to give it a future and price Waterhouse in Malaysia while Openshaw 47, had been

smaller company was left. While any future for the company

tation empire which Alexander Guthrie founded in Singapore in 1821. In recent years the elephant has been replaced by stylised letter G of the type beloved by the designers of corporate logos; the plantations have been taken over by the Mslaysian government; and the trading Interests have come to form only a minor part of Guthrie's business.

Guthrie's recent history has reflected the shifts in power and wealth which have brought much of the plentation sector. for long a boom srea of the London stock market, under Far Eastern control. Nevertheless, Guthrie's plans for a public listing in June demonstrate the durability of the companies

themeelves. To be sure, Guthrie will return in a vory different guise and under an almost completely new management. It now embraces an assortment of in-dustrial businesses hastily dustrial businesses hastily assembled by previous manage

ments over the past 20 years.

This diversified clutch of companies was put together initially in an attempt to diversify out of rubber plantations and then, in the early 1980s, in on effort to ward off a threatened takeovor from rival plantation group Sime Darby.

In the event, it was Permodalan Nasionol, the Malaysian government company eet up to increace local involvement in foreign-owned businesses, which acquired Guthrie in a dramatic "dawn raid" in 1981. A few months later the rubber plantations were taken into direct government control.

Mr Jock Green-Armytage, the architect of the share raid arranged by merchant bankers, N. M. Rothschild, was brought in to organise the rump of Guthrie's industrial operations. Most outsiders assumed they would be split up and sold off. They comprised carpet opera-

tions acquired in the late 1960s as an opparently logical extension of the existing underlay business, companies making industrial beating equipment bought as part of a move into electrical engineering in the

Sedgwick talks off

without its plantatinns. The old 400 Guthrie Corporation

Jock Green-Armytage, managing director of Gnthrla Corporation

"We agreed it would be sen-sible to run these husinesses as

an independent entity to assess

the future," says Green-Army-tage. "The Malaysians decided

After removing the planta-

tion business, which accounted

for sbout £280m of Guthrie'e

total net assets of £285m, a far

the Malaysians did not inject new capital into the industrial rump they were prepared to leave in their dividends to finance a limited expansion. Guthrie nonetheless began life, aftar the removal of the plantations in 1982, with bor-

rowings of £41m amounting to 71 per cent of shareholders' funde. This gave the new management little room for manoeuvre. Borrowings have since fallen by about a quarter to £29m, though as a proportion of shareholders' funds they have dropped by about half to 36 per cent. Net assets bave risen from £61m in 1982 to about £83m in 1985. Green-Armytage, then aged only 36, set about reorganising

management team was cut back

to about 30 people, who now

The London-based

trading company structure involving a myriad of inter-mediary holding companies was cleaned up. The present indus-trial companies have a fair degree of sutonomy but Green-Armytage is in almost daily touch, preferably by telephone, and be also spends a lot of time visiting the operations. A lot of peripheral businesses have been sold. The ill-fated move into carpets coincided with a slump in demand and fierce Continental competition. The last of the Britisb carpet companies was sold in 1982 though a profitable Australian has been retained. A Canadian highway trailer business and a US water softener company were sold,

as were operations in South

FOR MORE than a century 1970s, and Angus Fire Armour occupy a single floor in a a series of small acquisitions the elephant was the proud and the Page aviation group. modern office block overlooking was begun to fill in gaps in the symbol of the trading and plan-both added in the early 1980s. Petticoat Lane in London's East range. A company providing contract maintenance and reoppointed; Norman Wood as faciling services to airlines at finance director and Carl Open shaw as executive director, bought to add to Page and an Wood, now 59, is a former electronic protection business

> The new management began to invest in new plant and equipment. It bought machinery to allow Duralay to grind tyres to provide raw materials for its underlays and opened a sponge underlay plant near Manchester. Before the Malaysian takeover the pace of acquisitions and the need to boost profits as a bid defence meant little had been spent on

The result of these efforts was to push pre-tax profits from o low of £1.73m in 1982 to an estimated £14m last year. Turnover rose from £257m to about £330m. Guthrie now comprises five

main divisions:main divisions:—
Aviation services. Page provides ground handling facilities to airlines at 12 US airports, has an aircraft broking business and installs luxury aircraft interiors. It made an operating profit of £6.9m on sales of £134m in 1984.

Electrical Equipment. Ajax: Magnathermic makes induction. besting equipment for use in steel mills while Trench Electric makes high voltage coils. Profits were £3.6m on sales of £62m.

Fire fighting equipment Angus Fire Armour made a profit of £3.6m on sales of £55m.

• Metal and plastic stampings for North American car makers. Profits were £1.6m on sales of

• Textiles and floor coverings. Duralay makes underlays in the UK while two other companies make carpets and towels in Australia. Profits were £2m on

sales of £51m. Green-Armytage admits there is not a lot of logic to—the group's various interests, bevalue, high-margin products Nevertheless, be argues, well-managed conglomerates have their place and many companies which apparently concentrate on one product have, on closer

Africa and Zimbabwe, inspection, Though funds were very tight interests.

obtained on slender margins

anad benefits of the more sub

stantial contracts are unlikely

to come through until the second half an considerable reduction in chorrowings last

year and this trend should con-

Turnover in 1985 rose from

Foundry loss hits Richards

Africa and Zimbabwe.

Sedgwick Gronp, Britain's largest independent insurance broker, and Bayly, Martin and Fay International, the eighth A LOSS in the foundry division in the second half of 1985 has largest US broker, have terminated their talks which could have led to a merger of the US broker with interests of Sedgheld back the recovery rate at Richards (Lelcester), structural and mechanical engineer and

Group profit in that period was only £20,000 to make £164,000 for the year—a shortfall on expectations. Losses were incurred in the previous four years with the 1984 deficit at

£38,000 (£43,000) the net profit for the year comes to £202,000 (lose £416,000) for earnings of

10.1p (loss 20.9p) per share. Following the return to the dividend list (after a year's absence) with the 1p interim,

REPUBLIC NEW YORK

CORPORATION

US\$100,000,000

FLOATING RATE

SUBORDINATED NOTES DUE **JULY 2010**

Notice is haraby givan that for the period from April 14, 1986 to July 14, 1986 the Notes will carry an intstast rats of 7% per annum. The interest payabla on tha relevant intstest

paymsn) data July 14, 1986 will amount to US\$176.94 per US\$10,000 Principel Amount of Notes.

April 14, 1996
THE CHASE MANHATTAN BANK, N.A.

THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION

AGENCY OF THE KINGDOM OF DENMARK

Rate Notes Due 1994 Series 91 THE KINGDOM OF DENMARK

In accordance with the terms and conditions of the Notes, notice is hereby given that for the three months interest period from 9th April 1946 the Notes will carry n rate of interest of 10¹¹10¹⁷5 per unnum. The relevant Interest Payment Date will be 9th July 1986. The Coupon Amount per £5,000 will be £133-23 payable against Sorrender of Cosson No: 10

Hambros Bank Limited Ageni Baok

THE HONG KONG AND SHANGHAL BANKING CORPORATION PRIMARY CAPITAL UNDATED FLOATING RATE NOTES Notica is horeby given to the holders of these Notes that copies of the

Annual Report and Accounts of the Benk for the year ended December 31,

1985 era availeble at the offices of the Bank at 99 8/shopsgate, London EC2.

LADBROKE INDEX 1445-1,113 (corhauged)

good prospects of a better per-formance than in recent times. In the engineering division, a substantial proportion of work £6.22m to £7.32m.

The foundry side to date in

the current year is operating profitably. Production efficiency

has improved markedly and pro-

vided demand does not fall off in the coming months, there are

However, with a tax credit of FINANCIAL DIARY FOR THE WEEK engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last

the directors are recommending being carried out is short tarm

CDMPANV MEETINGS— rites Vending Inds., Kestrei Garth Road, Morden, Surray, 10 BOARD MEETINGS— Finglay

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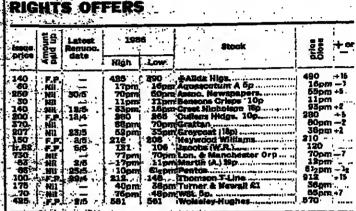
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Girto DIVIDEND & INTEREST PAYMENTS— DIVIDEND & Building Society Fits Rate Not 2100 3587.19 Alexander A Alexander 11se0h 7007 Sign American Brands 12tpct.n 2009 Gluc arbethnot Gort Securities Tix Inc Ptg Red

(the 1st since May 1, 1979) creation of their CERTIFICATES. made our to bearer, - each & 10. 100 and 1000 common shares resp. PRILIP HOPPIS COMPANIES Inc.

The terel enount of the listing at the Ameerdam Stock Enchange in this way leiving investors the best protection! Charaby reaching 92;240 (pre-split 7:21 shares. ARSTEROAM, March 21, 1986-

EQUITIES \$160 F.P.19/4 184 180 Sept Hidgs. 10p 186 E5.0 2.3 3.5 N.7 19 F.P. 140 123 Chimington Corp 140 Chimington Corp 140 Sept Hidgs. 10p 186 Sept Hidgs. FIXED INTEREST STOCKS 99.998 | 117 | 257a | 244a ASDA Prop. 16/2 | lat Mt. Deb. 2011 | 95 7a + 5a | 1100 | F.P. | 1103a | 1051a Aberdeen (City of) 10.52 | Red. 2011 | 1101a | 1101a



Residentian date equally last day for dealing free of atomp duty. 5 Figures and on prospector estimates. g Assumed dividend and yield. F Forecast Newton constraints and prospectual of the latest latest extenses. I Dividend of Vield handless prospectual or other official estimates to: 1888. R Forecast nitrolined dividend cover and give axis based on prospectus or other official estimates, a ladge such adversariant of the conficulty of the configuration of the configur annualised divident, cover and g/o ratio based on prospectus or other castimates. Indicated dividends cover relates to previous dividends of ratio hased on treatt samuel semprens. In Procees, or estimated annualised dividend rate, cover based on previous year's semings. I issued by tender. I Othered holders of ordinary shares as a "rights." Ill fairroduction. I issued by very of rapitalisation. A flacing prior. It Reintroduced. It issued by connection with reorganization, searcher of rakeover. Il Allorance price. If Unlisted securities market. It Destricts index Size ESS. (3). If Destricts and Rule 535 (4) (c).

PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus) have been officially notified. Dividends to be declared will not necessarily be at the mounts in the column headed Announcement last year.

Announcement last year.

Announcement last year.

Announcement last year.

Date ment lest year Smithers May 7 Interior 4.0 Plages and Color 18 Finel 7.9 Appropriate 17.0 Plages Book of James Walker Walson to Built of Hosel 128 Finel 128
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Land Securides May 16 Finel 5.55 Leporte Inda May 17 Finel 5.55 London and Mortharth May 15 Finel 3.05 Cow (Wm) Apr 18 Interim 40 PMC Artistical Apr 19 Float 5.5 PMC Artistical Apr 19 Float 5.5 Royal Sank of Southpd., May 2. Interim 2.5 Samuel Props Apr 25, Interim 1.6 Search Proc Apr 20. [District 1.6 Search Potts Mey 14 Final 2.2 States Potts Mer 28 Interim 1.0 States May 14 Final 4.5 Tarmec May 14 Final 4.5 Final 12.0 Taylor Taylor Traylor Traylor Traylor Traylor Traylor Traylor Traylor Medical Proc M

Board meeting intimnted. † Rights lesue since made. † Tex Ires. † Scrip issue since made. † Forecast.

| TODAY Serim: Hightend Distilleries. Albiny Investment Truet Apr 2 Apr 2 Albiny Investment Truet Apr 2 Apr 2 Apr 2 Apr 2 Apr 2 Apr 2 Apr 3 Apr 3 Apr 3 Apr 4 Apr 5 Apr 1 Apr 5 Apr 1 Apr 1 Apr 2 Apr 1 Apr 1 Apr 2 Apr 1 Apr 1 Apr 1 Apr 2 Apr 1 Apr 2 Apr 1 Apr 2 Apr 1 Apr 2 Apr 1 Apr 1 | BOARD MEETINGS | | |
|--|--|---|-----------|
| Apr 17 Titiury Apr 17 Apr 17 Titiury Apr 17 Apr 1 | TODAY Iterin: Highland Diritionies. International, Parambe. Roberts International, Parambe. Roberts International Parambe. Rob | Apr Apr Apr Apr Apr Apr Apr | 212721121 |
| | Ives Apr 21 Turiff | Apr | 1 |

SHARE STAKES

Changes in company share shares (0.86 per cent). stakes announced over the past week include:

British Home Stores—C. J. 150,000 "B" ordinary limited Kerr, director, has sold on exercise of option 30,000 shares holds 1,341,128 shares (0.43 pag cent). ot 357p. per cent).

Meggitt Holdings — H. N. P. Crest N

(Matthew):..Apr 15 Final 8.525

Prop...Apr 17 _Final 8.5

Meggitt Holdings H. N. P. Crest Nicholson—G. R. Fox, McCorkell, director, has disdirector, has sold 171,600 posed of 25,000 ordinary shares ordinary shares (nil paid at 125 ftp and now holds 412,499 rights) at 29p.

Granville & Co. Limited Member of The Netional Association of Security Ocalers

* Telephone 01-521 1212

| . : | . <u> </u> | ~ ! | Over- | the-C | ount | er Ma | rket | | • | |
|-----|--------------|--------------|----------------|------------|-------|--------------------|-------------|-------|--------|-------|
| | Capitalissta | | | | | Change | | | Ρ/ | E |
| | 5000.ª | - 1 | Compan | n . | Prine | On many | GIOSS | Tield | | Fully |
| • | 4 508 | Ase. | Beit. Ind | Ord | 132 | On week | div.(p |) % | Actual | Moned |
| ٠. | | -Ass | Arlt. Ind | CULS | | _ | 7,3 | 6.5 | 9.1 | 7.5 |
| ÷ | 4,158 | Airen | | | 130 | — | 10.0 | 7.2 | | |
| | 825 | Armit | unig - Ujt | Rhodes | 72 | _ | . a.4 | 8.8 | 12.0 | 15 7 |
| ÷ | . 55,882 | Do -J- | yo ang | unicata" | 33 | -2 | 4.3 | 13.0 | | 13.7 |
| Ε, | 7 700 | PALOO | r dans - | | | -2 | 40 | 3.0 | 4.1 | 4.9 |
| | 3.369 | Birth . | echnolo | gica | 60 | +2 | 4.3 | 2.3 | 22.0 | 22.9 |
| ٠. | 483 | CCT" I | ordinery: | | -138 | | 4.5 | 7.2 | 71 | 6.5 |
| ٠. | 1.238 | CULI | TOC COR | v Pt | 99 | | 12.0 | 8.7 | 3.4 | 3.2 |
| | 9.639 | Carbo | rundum t | Ord | 144 | _ | 15.7 | 15.9 | _ | |
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| | | IRG. P | recision. | Castings | .60 | · –ž | | _ | 4.6 | 8.1 |
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| | | JACKSO | in Gimila | | 455 | | 15.0 | 9.5 | 12.6- | 18.6 |
| • | . 44 45 L | ~18Wez | Burrous | | 10.46 | 1 | 8.6 | 4.5 | 6.1 | 8.1 |
| | . 3.30/ | James | Surrous | b 9pcPf | 240 | -3 | .19.0 | 4.4 | 10,7 | |
| | 6.253 | . Inka | - | and Co. | 97 . | | 12.9 | 13.3 | | 10.7 |
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| | | And the last | OPE MOT | ding NV | -1410 | +40 . | | | 4.5 | .7.5 |
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| _ | | | | | | 10 . | 7.9 | 2.5 | . BŽ | sa. |
| ٠. | | VVALLEY | Alexan | dae | 175 | · :, , | -21 | 4.0 | 14.4 | 14.1 |
| : ' | 4.668 | W. S. | Yestes | | | - . | 9.6 | 4.a | ae | 12.1 |
| | | | | | 200 | · - | 17.4 - | 8.7 | 67 | 12.1 |

| | April : April 11 10 | April | April | April 7 | April 4 | 19 High | | Since Co High | moliation Low |
|------------------|------------------------|--------|--------|---------|------------|------------|--------|------------------|------------------|
| Government Secs. | 95.S8 95.20 | 93,30 | 93.09 | 91.76 | 91.47 | 93,58 | 80,39 | 197,4 | 49,19 |
| Fixed interest | 97.10 96.27 | 87,04 | 96.66 | 95.07 | 95.97 | 97.10 | 86,56 | 150.4 | 50,53 |
| Ordinary, | 1411.9 1401.5 | 1376,5 | 1388.1 | 1400.3 | 1420,9 | 1425,9 | 1094.6 | 1425,9 | 49,4 |
| Gold Mines | 275.1 281.8 | 282,7 | 288.0 | 250 0 | .290.a | 357.0 | 257.5 | 734.7 | 43,5 |
| FT-Act All.Share | 825.55 a22.62 | 611.39 | 818.66 | 828.45 | 852,36 | 838,39 | 664.42 | 859,39 | e1,92 |
| FT-0E100 | 1894.1 1890.3 | 1859,0 | 1875.7 | 1688.5 | 1709.7 | 1717.6 | 1370.1 | 1717.6 | 986 9 |

FINANCIAL TIMES STOCK INDICES

| | April : | April : | April | : April | April 1 | April 4 | 19 High | 66 Low | Since Co | moliation Low |
|------------------|---------|---------|--------|---------|---------|------------|------------|-----------|----------|------------------|
| Government Secs. | 05 CO | 95 PD | 93.30 | 93.09 | 91.76 | 91.47 | ·— : | | 197.4 | |
| Fixed Interest | | | | | | | | | <u>'</u> | |
| | | | | | | | | | | |
| Ordinary, | | | | | | | | | | |
| Gold Mines | | | | | | | | | | |
| FT-Act All.Share | | | | | | | | | | |
| FT-0E100 | 1894.1 | 1890.3 | 1859,0 | 1875.7 | 1688.5 | 1709.7 | 1717.6 | 1370.1 | 1717.6 | 986 9 |

April 14 1989

Charles (Charles (Cha

MARIA MARIA

Issued and to be issued" fully paid

60,457,655

41,777,954

16,976,490

199.516

ISSUES OF GOVERNMENT STOCK

The Bank of England announces that Her Majesty's Treasury has created on 11th April 1986, and has issued to the Bank. additional amounts as indicated of each of the Stocks listed below:

below:

100 million 21 per cent Exchequer Stock, 1990
1100 million 21 per cent Exchequer Stock, 1990
1100 million 22 per cent Treasury Loan, 2012-2015
1100 million 23 per cent Index-Linked Treasury Stock, 2016
The price paid by the Bank on issue was in each case the middle market closing price of the relevant Stock on 11th April 1986 as certified by the Government Broker.
In each case, the amount issued on 11th April 1986 represents a further tranche of the televant Stock, ranking in all respects poor possus with that Stock and subject to the terms and conditions applicable to that Stock, and subject also to the provision contained in the final paragraph of this notice; the current provisions for Capital Gains Tax are described below.

Copies of the prospectuses for 24 per cent Exchequer Stock

below.

Copies of the prospectuses for 2½ per cent Exchequer Stock, 1990 dated 17th January 1986, 10½ per cent Treasury Convertible Stock, 1987 dated 27th May 1983 (which contained the terms of issue of 9½ per cent Conversion Stock, 2001). 7½ per cent Treasury Loan, 2012-2015 dated 21st January 1972 and 2½ per cent Index-Linked Treasury Stock, 2016 dated 14th January 1983 may be obtained at the Bank of England, New Issues, Watling Street, London EC4M 9AA.

Application, has been made to the Council of The Stock Exchange for each further tranche of stock to be admitted to the Official List.

The Stocks are repayable, and interest is naught believed.

The Stocks are repayable, and interest is payable half-yearly, on the dates shown below (In the case of 24 per cent Index-Linked Treasury Stock, 2016 provision is made in the prospectus for stockholders to be offered the right of early redemption under certain circumstances):

91 per cent sion Stock, 2001 71 per cent Treasury Loan, 2012-1015

3

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VIDENDS

EETINGS

· - - 7 27 575:

- 1412 E

Interest Stock Redemption date 22nd May
Exchequer Stock, 1990 22nd November 1990 22nd November 10th February 10th August 10th August 2001

26th January 2015, 26th July or on or at any time -after 26th January 2012 subject to not less than three months' notice

2† per cent Index-Linked 26th January
Treasury Stock, 2016 26th July 2016 26th July
2† per cent Exchequer Stock, 1990, 9† per cent Conversion
Stock, 2001 and 7† per cent Treasury Loan, 2012-2015 are

Both the principal of and the interest on 2½ per cent Index-Linked Treasury Stock, 2016 are indexed to the General Index of Retail Prices. The Index figure relevant to any month is that published seven months previously and relating to the month before the month of publication. The index figure relevant to the month of issue of 2½ per cent Index-Linked Treasury Stock, 2016 is that relating to May 1982 (322.0). The relevant index figure will be used for the purposes of calculating payments of principal and interest due in respect of the further tranche of Stock. Tha relevant Index figures for the half-yearly interest payments on 2½ per cent Index-Linked Treasury Stock, 2016 are as follows: Both the principal of and the interest on 21 per cent Index-

Relevant Index floure Relevant Index Agure
Interest payable Published in Relating to
January June of the previous year May
July December of the previous year November
The further tranche of 21 per cent Exchequer Stock, 1990 will
rank for the interest payment of £0.8220 per cent to be made
on 22nd May 1986. The further tranches of 91 per cent
Conversion Stock, 2001, 71 per cent Treasury Loan, 2012-2015
and 21 per cent index-Linked Treasury Stock, 2016 will rank
for a full give manufor interest on the pert interest payment and 21 per cent Index-Linked Treasury Stock, 2016 will rank for a full six months' interest on the next interest payment date applicable to the relevant Stock, 23 per cent Exchequer Stock, 1990 will be specified, and 91 per cent Conversion Stock, 2001 71 per cent Treasury Loan, 2012-2015 and 21 per cent Index-Linked Treasury Stock, 2016 are specified, under paragraph 1 of Schedule 2 to the Capital Gains Tax Act 1979 as gilt-edged securities (under current legislation exempt from tax on capital gains on disposals made on offer 2nd July 1986, irrespective of the period for which the Stocks are held).

the Stocks are held).

Government statement is the Majesty's Attention is drawn to the statement issued by Her Majesty's Treasury on 29th May 1985 which explained that, in the interest of the orderly-conduct of fiscal policy, peither Her Majesty's Government nor the Bank of England or their majesty's government not the bank of england of their respective servants or agents undertake to disclose tax changes decided on but not yet announced, even where they may specifically affect the terms on which, or the conditions under which, these further tranches of stock are issued or sold by or on behalf of the Government or the Bank; that no responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set aside nor give rise to any

UK COMPANY NEWS

Iraq problems hit Conder

CONTINUING problems over deht collection in Iraq, aggravated by the deterioration in the war situation, have caused buildings concern, to make a further provision of £500,000 and comprised a loss on a secured loan.

As a result, pre-tax profits in 1883 came out at £502,000, against £883,000 before, but the directors say that even without this provision the result is far from satisfactory. This was because of substantial excess contract costs at Conder Struecontract costs at Conder Struc-tures and further heavy spend-

tures and further beavy spendlng on the computerised
drawing system.

The dividend, however, is
being increased from 1.5p to
1.75p net with a final of 1p.
Earnings per 25p share were 7p
(2p) before extraordinary
liems and 5p (3p) after.

The directors report that
Conder has still not succeeded
in eliminating all the losses

improvement is anticipated in list after 18 months absence. There is a final and only payTurnover for 1985 rose from ment of 0,125p net.

El10.14m to £123.2m, while taxable results were after a share

£6.19m to £6.63m. There is a tax

over, while good results were achieved in the two main product divisions of Conder Products where turnover was £12m. Clearwater incurred as loss due to exceptional factors following recent restructuring.

Squirrel Horn

Conder has still not succeeded Sugar confectionery, toffee in eliminating all the losses chocolate maker Squirrell Horn which continue to drain away has reduced its loss from its profits. This will affect first-half results, although a marked and is returning to the dividend

of related companies' losses of eredit of £3,000 (charge £51,000 (£234,000 profits). There £14,000) to leave the loss per was a tax credit of £65,000 share at 2.56p (5.85p).

COMPANY NEWS IN BRIEF

UTC TRADING CORPORATION the event that the purchaser increased pre-tax profits from resells the site within three £128,290 to £293,469 in 1985, years or a change of planning textle divisions showing considerably improved results. The directors are confident that the bought Provisions are confident that the company will continue to perform strongly in the current year, although certain property completions may be deferred until the second half of the

BLUEMEL BROTHERS has

Mr Michaett Burchell has been appointed chief executive and managing director of BURMAH OIL EXPLORATION. Mr Burchell has been well Burnahi since August 1880 and priorite this appointments was director as to operations:

RINGTONS has appointed Mr Nigel Smith as managing director, a position he held

APPOINTMENTS

CATTLES (HOLDINGS) has

bought Provincial Lending Company for £141,441 in cash, Provincial specialises in pro-vision of short-term personal

BOC GROUP is to issue 15.5m ordinary shares in respect of options realised on £21m of the contracted for the sale of its 9 per cent converible unland and buildings at Wolston secured loan stock 2001-2006, for £250,000 cash. The contract Some 95 per cent of the original provides for Bluemel to share in stock issued has now been conany gains arising on the land in verted into ordinary.

London Underground as opera-

nons director.

Reabrook boost in second half

Second-half profits from Reabrook Holdings, chemical and industrial aerosal manufac-turer, rose from £215,000 to £564,000. This gives the group £1,02m pre-tax for the whole of 1985, an advance of 85 per cent over the previous £550,000. Earnings are almost doobled at 7,29p (3,73p) per share, and the dividend is raised from 1.9p to 2.5p net with a final of 1.7p. Turnover in the year was up from £10.96m to £12.53m and the operating profit from £683,000 to £1.15m. The tax charge is £472,000 (£270,000) leaving the ner profit at £547,000 (£280,000).

F. & C. Pacific

F. & C. Pacific Investment Trust increased not asset value from 196p to 207.1p in the year ended January 31, 1386, Earnings per 25p share however, fell

ings per 259 state however, ten from 4.47p to 2.61p. Total revenue dropped to £3.45m, against £4.71m, includ-ing franked income of £347.000 (£1.95m). After tax of £993.060 A final dividend of 0.9p. plus a special 1p makes a total for the year of 2.5p (3.75p) net.

Oilfield Inspection

USM quoted Oilfield Inspection Services Group raised pre-tax profits from £333,000 to £911,000 in 1985. A final divi-dend of 1p net doubles the year's payment to 2p. Earnings per 20p share were 7.1p (2.3p)

Platignum ahead

Including a first time contri-bution from John Barr and a etter-than-anticipated perform ance from the pen division profits of Platianum improved by £200,000 to £302,000 pre-tax

hy £200,000 to £302,000 pre-tax in the year to January 31, 1985.

The current year started on a mixed note. Sales of Barr and the pen division were in line with last year and in all the directors remain confident that sustained improvements can be expected.

New Burmah Oil chief been appointed chief executive and managing director of BURMAH OIL EXPLORATION.

Mr. Burchell has been made that the becomes non-executive deputy chairman.

Mr. Burchell has been made that the becomes non-executive deputy chairman.

Mr. Burchell has been made that the becomes non-executive deputy chairman.

Mr. Burchell has been more than the country provided managing director of the supposited managing director of the properties of the managing director of the supposited managing director of the properties of the managing director of the supposited managing direc

SILKOLENE LUBRICANTS has appointed Mr Adrian Parsons as group chief executive.

This advertisement is issued in compliance with the requirement of the Council of The Stock Exchange. It does not constitute an arritation to the public to subscribe for or purchase any securities.

MERCURY INTERNATIONAL GROUP plc

(Incorporated and registered in England under the Companies Acts 1948 to 1981 No. 1874486)

Share capital of Mercury International Group plc

90.890,000 43.000,000 18,000,000 200,000 5,000,000

100,000,000

14th April, 1986

Ordinary Shares of 25p each 6 per cent. A Convertible Preference Shares of £1 each 6 per cent. B' Conscrab le Preference Shares of £1 each

'A' Convertible Deferred Shares of 25 peach 'B' Concertible Deferred Shares of 25p each 4,474.059 Preference Shares of L1 cach Assuming full acceptance of the offer dated 3rd March, 1986 for the shares of Mercury Securities ple. The number of Preference Shares to be to ged, the basis of allocation and the rate of dividend have not yet

been determined, but are expected to be announced in July 1986. The Council of The Stock Exchange has admitted the Ordinary Share, and A Convertible Preference Shares of Mercury International Group ple issued and to be issued to the Official List.

Listing Particulars relating to Mercury International Group ple and the issue of Ordinary Shares and 'A' Competible Preference Shares are available from Exed Statistical Services Limited Copies of such particulars may be obtained during normal business hours until 16th April 1986 from the Companies Announcement Office. The Stock Evaluage, Throgmorton Street, London EC2P 2BT and on any weekday (Saturdays and public holidays excepted) up to and including 28th. April, 1986 from:

> Mercury International Group plc, 33 King William Street, London, EC4R VAS.

Rose & Pitman Ltd... 1 Finishury Avenue. London, EC2M 2PA.

Сагенове & Со., 12 Tokenhouse Yard, London, EC2R TAN.

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HAWLEY GROUP LIMITED

issue of up to 25,000,000 Convertible Cumulative Redeemable Preference shares of US\$1 each in connection with the proposed acquisition of Cope Aliman internetional P.L.C.

The Convertible Cumulative Redeemable Preference Shares of US\$1 each have been admitted to the Official List by the Council of The Stock Exchange.

Listing Particulars will be circulated in the Extel Statistical Services and copies of the Listing Particulars may be obtained during usual business hours on any week day except Saturdays and public holidays up to and including 28th April, 1986

> Tanmade Limited. Prospect House. The Broadway, Farnham Common Slough SL2 3PQ, Berkshire

Barclays Merchant Bank Limited. Ebbgale House, 2 Swan Lane, London EC4R 3RS

L. Messel & Co... 1 Finsbury Avenue. London EC2M 2QE

Copies of the Listing Particulars will also be available until 16th April, 1986 from the Company Announcements Office, The Stock Exchange, London EC2.



John Lewis plc

£50,000,000

101/4 per cent. Bonds 2006

The Issue Price of the Bonds is 1001/1/k of their principal amount. The following have agreed to subscribe or procure subscribers for the Bonds:

County Bank Limited

Morgan Grenfell & Co. Limited

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A. Citicorp Investment Bank Limited

Credit Suisse First Boston Limited

Kleinwort, Benson Limited Société Générale

 $\overline{\mathbf{a}}$

.

Union Bank of Switzerland (Securities) Limited

ANZ Merchant Bank Limited Bankers Trust International Limited Commerzbank Aktiengesellschaft

Dresdner Bank Aktiengesellschaft

Morgan Guaranty Ltd Sumitomo Finance International

S. G. Warburg & Co. Ltd.

Westdeutsche Landesbank Girozentrale

Application has been made to the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the Bonds to be admitted to the Official List. The Bonds bear interest as from 6th May, 1986 at the rate of 101/4 per cent, per annum, payable annually in arrear on 6th

May, the first such payment (representing a full year's interest) to be made on 6th May, 1987. Listing Particulars relating to the Bonds and John Lewis plc are available in the statistical services of Extel Statistical Services Limited and copies of the Listing Particulars may be obtained during usual business hours up to and including 16th April, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 28th April, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 28th April,

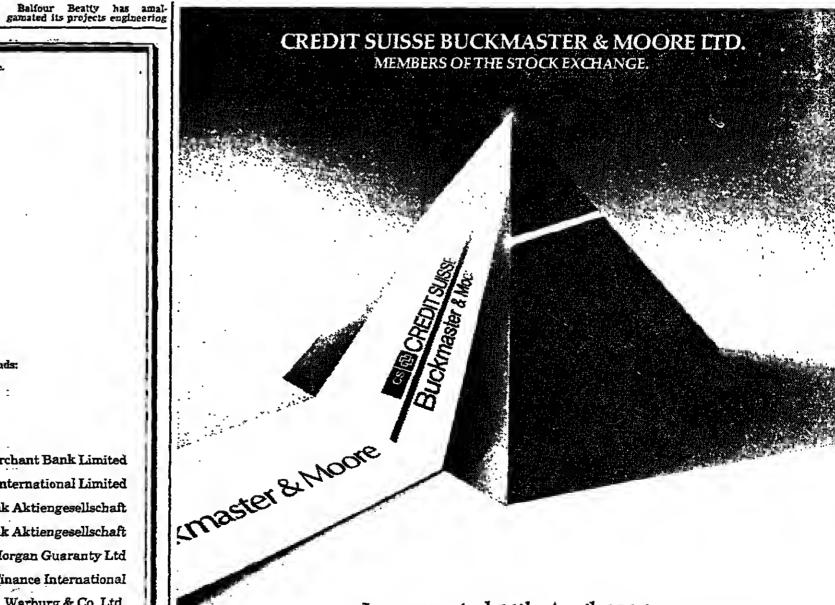
County Bank Limited 11 Old Broad Street

John Lewis plc 4 Old Cavendish Street London W1A 1EX

Cazenove & Co. 12 Tokenhouse Yard London EC2R7AN

Bankers Trust Company Dashwood House 69 Old Broad Street London EC2P 2EE

14th April, 1986



Incorporated 14th April, 1986.

An alliance of two established names in the international securities industry. Buckmaster & Moore: Institutional Business, Market Making, Investment Management, Credit Suisse: Triple 'A' Bank, World-wide Asset Management, Address: Credit Suisse Buckmaster & Moore Ltd., The Stock Exchange, London EC2 2JT. Telephone: 01-588 2868 Telex: 883229.

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BUSINESSMAN'S DIARY

BK TRADE FAIRS AND EXHIBITIONS

International Fire and Security Exhibition and Conference— IFSEC (01-446 8211) Olympia National Welding Exhibition -NORTHWELD (0403 68747)

April 17-19
American Real Estate and Investment Show and Seminar CATIONS (021-705 6707) (0789 720119) Park Lane Holel, W1 May 16

April 21 25 International Brewiog, Bottling and Allied Trade Exhibition— BREWEX (021-705-6707)

NEC, Birmingham April 21-25 tion—PAKEX (021-705 6707)
NEC, Birmingham

Aoril 29-May 1 British Electronics Week (0799

OVERSEAS TRADE FAIRS

Aoril 14-19
Mini/Micro Computers, Software
and Software Packages Exhibilion—SPECIAL SICOB (01-439
2054)

A0711 20-24 Third Saudl Oil Show (01-486 3741) Al-Khobar

Aoril 22-26 International Packaging Exhibi-tioo—PROPACK (021-705 6707) Brussels

Olympia Business to Business Exhibition (01-729 0677) Barbican Centre May 11-18

NEC. Birmingham

Chelsea Flower Show (01-834 4333) Royal Hospital, SWI May 23-June 1 National Home, Garden and

May 2-15 International Printing and Paper Fair—DRUPA (01-493 3893) Dusseldnr

May 13-15
Production, Organisation and Technical Aspects of Shows & Meetings, Trade Fair and Congress — SHOWTECH (01-740)

Aoril 22-25 May 28-June 4
International Traffic Engineering Mechanical Handling, Macbine
Trade Fair (01-437 2175) Tool & Products Exhibition
Amsterdam (01-439 3964) Paris

BUSINESS AND MANAGEMENT CONFERENCES

April 14-15 Europeao Study Cooferences: The Loodon International Construction Conference (0572 S22711) Hilton Hotel, W1 FT Conferences: The fourth manufacturing automation forum (01-621 1355)

Holel inter-conditions 15-16
1BC: Marketing lo the travel industry (01-236 4080)
Portman Hotel, Wi Holel Inter-Continental, W1

April 15 Oracle Business Information: Tax olanoing for the single contract self-employed (01-727 3503) 22 Portman Close, W1 Aoril 16

Information for Industry: The Middle East—the changing face of business (01-637 1019) Cumberland Holel, W1

Aoril 17-18
Institute for International
Research: The finaocial, commercial aod entrepreocurial
opportuoities for prospering
through privatlsation (01-434
1017) 116 Pall Mall, SW1

April 20-22 The Face April 20-22
The Economist: Entrepreneurship in practice—developing and managing innovation in large corporations (01-S39 7000)

April 30
Public Policy Consultants.

Advanced techniques of dealing with Government (01-606 6090)
St Ermin's Holel, SW1

London International Show (01-385 1200) Earls Court

May 13-16

Antiques Fair (01-883 7061) Alexandra Palace May 20-24

consure Show — LIFESTYLE (01-222 9341) NEC, Birmingham May 29 June 7 Fine Art and Antiques Fair (01-385 1200) Olympia

May 5-8 Business Efficiency, Office Automation and Business Communication Exhibition — BEE/OFEX (01-855 7777) Hong Kong

Ettington Park Hotel, near Stratford upon Avon Aoril 21-22 Airfinance Conferences: The Annual Airfinance Conference (0376 62262) Plaza Hntel, New York City

Aoril 22-23 for International Iostitute for International Research: Casbing in on olastic card evolution (01-434 1017) 22 Partman Clase, WI April 22-23 FT Conferences: The prospects for tourism in Britain (01-621

Hotel Inter-Continental, Wi April 23
Institute of Directors: Coping with success (01-839 1233)
116 Pall Mall, SWI

Westminster & City: Regulating the markeling of life assurance and unit trusts (01-582 7245) Rilton Hotel, Wi

April 29-30
Euromoney Publications:
Japanese financial markets (01-Holel Inter-Continental, W1

Anyone wishing to citend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published

INSURANCE

Investors learn a lesson from **UK Provident**

BY ERIC SHORT

THE TRADITIONAL life assur- ment, bas risks as well as ance industry was deeply rewards. For UK Provident shocked last week when policyholders the risk brought one of its number—United kingdom Provident Institution in future bonuses.

—announced it was in financial The industry is now asking difficulties and was, in effect, being rescued by Friends' Provident Life Office.

One of the main marketing points on the traditional side of the industry bas been the impeccable security of conven-tional life assurance and the companies marketing conventional with-profit contracts. It was inconceivable that such a company could run into finanalone during a raging bull market. The intermediary life market

now knows otherwise.
Traditional life assurance is regarded as offering a safe, steady investment for the cautious investor. The companies themselves tend to follow very orthodox investment strategies, with a high proportion of gilt holdings backed by very large free reserves accumulated because actuarles for decades underdistributed profits

to policyholders.
This view has now been thrown into doubt by the events at UK Provident.

First, the company followed a very unorthodox high-risk investment strategy with an unduly high proportion of its investments in unquoted securities, including oil exploration and development in the US. Second, the company was declaring very bigh bonus rates on its life and pension contracts, for example the Deposit Investment Plan, which offered returns that could hardly be met

Third, the company had embarked on a large-scale expansion programme over the past few years, and was under financial strain from the high level

out of current investment

of new business written. The high bonus rates and the expansion programme resulted in the company running down its free reserves to quite a low level and being unable to meet current bonus levels. Mr Fred Cotton, chief executive of Friends' Provident, estimated that UK Provident needed about £250m to continue on the same

bonus levels, Tbus investors and Interassurance, like any other invest- reserve backing.

which mutual life company will be the next to go under. Up to now, intermediaries and investors have chosen a traditional life company on its name, reputation and, above all, its reputation and, above all, its position in the performance tables — past, and projected. Little, if any, attempt is made to analyse the companies underlying financial strength.

The information about UK Provident's investment strategy. Provident's investment strategy and pointers to its reserve pos tion were contained in the company's 1984 Report and

Now intermediarles are call-ing for more information on investment and reserves in a readily assimilable form. Life companies are prepared to give such information to intermedianes who inquire but are not making public statements on the grounds that it could be misinterpreted. They may be forced to say something once the media start publishing league tables of life companies'

Accounts. But few people

free reserves." Another important question is how UK Provident got into this situation—in particular, what was the role of the Appointed Actuary, the financial watch-dog of life companies. The company has said it will

make a full statement to policy-holders. This must include a report from the Appointed Actuary at the time. In addition, the Institute of Actuaries, one of the UK's two professionsl actuarial bodies,

must investigate.

If such an event is to be avoided in future, companies will have to report much more information to the authorities so action can be taken in good The new regulations requir-

ing actuaries in their valuation

lo split the fund between liabilities and free reserves will help. The profession is looking at producing a workable procedure for mismatching reserves —the ability to maintain sol-vency margins in adverse Investment conditions. It would Thus investors and intermediarles have had a salutory strategy could be adopted reminder that with-profit life unless there was adequate

CONSTRUCTION

£45m orders for Lelliott

tial apartment blocks at £7.5m; the fitting out of Nikko Securi-ties, Godliman Street; Fidelity Bank in Bishopsgate: The Royal Bank of Scotland, Lombard Donalds chain in Finchley Road, Woking and Hayes provides another £1m.

which include the major refurbishment of Chelsea Cloisters, Nomura International Other one of London's largest residencial apartment blocks at £7.5m; ment of Dillons Bookshops the fitting out of Nikko Securities, Godlman Street; Fidelity ley design centre in Fulham for Bank in Bishopsgate: The Royal Etm. The division has also been the securities of Section of London's largest resident to the securities of Section of London's largest resident to the securities of Section of London's largest resident to the securities of Section of London's largest resident to the security largest resident Street and the Securities In thirty Cullens Stores at the rate vestment Board in Royal Exof three sbops per month and change account for £3.5m. Ex an average spend of £100,000 pansion of the fast food Mac-each shop.

Finchley John Lelliott DMC has

Nurses' accommodation at Bournemouth Hospital

Work has started on a £4.4m contract awarded to JOHN LAING CONSTRUCTION by LAING CONSTRUCTION by Mersey Regional Health Authority for phase B at Warrington District General Hospital. The 110-week contract calls for the construction of two number two-storey nucleus temolates and a hospital street to house paediantic adult acute and geriatric and backup equipment. Decon hospital street to house paedia-trie, adult acute and geriatric units together with purpose-designed two-storey accommoda-tion to contain paediatric isolation and occupational therapy. The approximate floor area will be 7,200 sq metres. Main contruction is nf an insitu concrete frame on piled founda-tions. External walls are of brick and block construction with metal windows, and the concrete-liled roof is on timber

rafters on a steel frame. The cootract includes fittings, and some alteration to the already existing phase A building. JAMES HOWDEN and DECON
ENGINEERING bave received
figm orders for the supply of
tunnelling equipment for the
Calro wastewater project. The
largest order, valued at £1.5m,
goes to Howden and is for the
supply of three 5.2 metre
diameter digger shields. The
machines are for use on the next year.

which will be constructed
in high quality brickwork with
a total floor area of 25,000 sq ft.
The whole of Park Cross Street
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The whole of Park Cross Street
will be pedestrianised and the
will be constructed
to high quality brickwork with
a total floor area of 25,000 sq ft. JAMES HOWDEN and DECON

tracts "division has won con- Ebgate House and Seal House £690,000. John Lelliott Ilford is tracts worth more than £16.5m for Midland Bank International: also responsible for more than £870,000. commissioned to refurbish thirty Cullens Stores at the rate

John Lelllott DMC has secured design and build contracts, worth more than £3.25m,

WIMPEY CONSTRUCTION UK, a subsidiary of George Wimpey, bas been awarded work totalling fill concrete footings with 16.3m. A contract worth £3.3m bas been awarded by the Wessex Regional Health Authority for concrete tiles and the ceilings a Regional Health Authority for the construction of nurses accommodation at the Bourneaccommodation at the Bourne-mouth Hospital, Castla Lane East, Bournemouth, Dorset. The accommodation, totalling 9,000 sq metres, will be in five three and two two-storey blocks; a single-storey shared accom-modation block and a two-storey education centre. External walls

concrete tiles and the ceilings as genaral dry lining with some areas suspended. Extensive external works will include-roads, paths, car. parks and-drainage. Work has also started on an office development, worth £3m, at the Royal Aircraft Establishment, Elles Road, Farnborough, for the Property Services Agency.

and back-up equipment. Decon is also supplying sledges, support steelwork and conveyor equip-ment for the Howden machines, Decon has also received a £280,000 order from Cairo Waste water Consortium for fast operawater Consorbilm for fast operation air locks.

M. HARRISON & CO (LEEDS)
bas won a contract, worth over
£800,000, to build an office
development at Park Cross
Street, Leeds, in the heart of
the city's commercial area, for
Abacus Developments. The threestorey building comprises the
erection of seven separate office

erection of seven separate office units, which will be constructed

In the first quarter of 1986

the JOHN LELLIOTT GROUP
has won more than 150 contracts treets for refurbishment and costing £1.1m and a dealing in and around London worth in fitting out of dealing rooms in room for Manufacturers Hangers of £45m, The main "con-six City banks which include a supermarket shell for Waitrose at St. Neots accounts for £14.5m with con-schell for Waitrose at St. Neots accounts for fitting out of dealing rooms in room for Manufacturers Hangers and Seal House and Seal House also responsible for more than f3m with contracts worth f1m for a Docklands office block and bousing for the Newham Borough Council worth

> John Lelliott Space Interiors has been commissioned to carry out a number of interior projects worth £1.5m, two of which were for Jet Set Tours, New Oxford Street, London and Schroder Group headquarters in Portsmouth.

New Dorset headquarters

A £6m-plus contract for the new headquarters building for the National Mutual Life Association of Australasia has been awarded to SLEEMAN GONSTRUCTION, the building arm of EBC Group. Construction has started on the 74.000-sq-ft eight-storey octagonal building with associated multistorey car parking on a site at Seldown Road, Poole National Mutual's life assurance operation will be moving info-its new building on its completion at the and of 1987. and of 1987.

CEMENTATION PILING AND FOUNDATIONS has been awarded two specialist piling contracts for city-centre developments worth a total of El-4m. The largest is a combination of driven and hored piles at the St Enoch's Square, Glasgow, redevelopment for managing contractor Sir Robert MacAlpine. A total of 1,007 Frankpiles founded at depths down to 20 metres is being driven on this site, together with 485 Concore continuous flight auger piles down to 30 metres; to form the foundations of the development. The second contract for the new South, Glamorgan County, Council beadquarters building at Cardiff, requires over 750 Frankpiles as the driven at varying depths down to 17 m. Cementation Piling and Foundations is a member of the civil, and specialist engineering division of the Trafalgar House Group.

SHAND has been awarded a 7 m supermarket construction con-tract in Gibraltar. Work is due-to start soon on a supermarket, shop units and travel bureau opposite the island's main air-port. External walls will be of precast concrete fairface blockprecast concrete sarrace block-work, with steel frame and roof, decking by a nominated sub-contractor and decorative tile hanging to a Mattard roof by a domestic sub-contractor. The con-

construction 021-704 5111 0344 426688 SOLIHULL BRACKNELL

Laboratory facilities extended

SIR ROBERT MCALPINE & SONS has been awared a contract worth £8.8m by Amersham Interworth £6.8m by Amersham International to extend its existing laboratory facilities near Cardiff. The contract comprises two buildings of steel frame and concrete construction. The main block, measuring 57.4 metres by 50.6 metres, will be fully air conditioned and will provide accommodation on two floors plus a basement area: a roof plant room and a 50 metre high ventilations shaft. Additional installations Include five fully equipped cold rooms and a double skinned effinent drainage system. The second building will link the new block to the existing premises. existing premises.

* : PAIRCLOUGH BUILDING has been awarded another construction project by London Underground. The southern division is to erect four new buildings at the construction of the construction of the construction. the Ruislip track fabrication depot on a contract valued at over £600,000. The biggest buildover £600,000. The biggest building... 2 710 sq metre store—will be constructed on a steel frame with profiled sheet metal cladding, and double-pitched roof, internal blockwork walls and partitions. The single-storey slaff partitions. The single-storey staff building (275 sq metres) and site offices (60 sq metres) will both be in load-bearing brick and blockwork with blockwork partitions and flat roofs. The fourth building, a 38 sq metre compressor hnuse, is to be systembuilt in grp modular prefsbrications. This structure is scheduled for computation at least 12 weeks for completion at least 12 weeks before the main hand-over in August.



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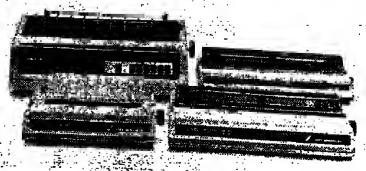
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all the advantages of the Microline 193 plus a few more.
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FINANCIAL TIMES SURVEY

Monday April 14 1986

Amsterdan

The Dutch capital is looking in new directions for growth and prosperity after years of urban decline. Its main strengths of finance, trade and tourism are being heavily promoted and progressive city policies are bringing a renewed sense of optimism.

Era of renewal

By Laura Raun Netherlands Correspondent

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ANSTERDAM is moving in new AMSTERDAM is moving in new directions. Dam Square, once the haunt of hippies is bustling with bankers and stock brokers, who are propelling the city forward into becoming a major international financial centre. The Zeedijk area where drug pushers operated is the site of one of four new first-class botels converger up in the inner city. one or four new hirst-ciass botels springing up in the inner city to lodge more tourists and businessmen. The pace of housing construction has trebled from a few years ago and eased the severe shortage of bouses.

The Netherlands' biggest city The Netherlands' biggest city as Dr Ennaens Heerma, alderman in charge of economic affairs and a political scientist notes, bas been known for its freedom and tolerance throughout its 700-year history. Jews expelled from Spain and Portugal were welcomed, radical philosophers such as Descartes and Spinoza were allowed to write and bibles and books hanned elsewhere were printed.

Christian Democrats to launch a new era of urban renewal, with special emphasis on economic revival and more housing. The centre-left coalition sought to promote Amsterdam's traditional strengths—trade, transport, finance, arts—to restore some of the vibrant commercial spirit that built the city into a fulcrum of world power in the 17th century.

write and bibles and books banned elsewhere were printed.

"But freedom should not mean a lack of freedom for others," Dr Heerma observes, "The year 1930 was a turning point. People wanted a cleaner city, more jobs, a city without drugs and demonstrations."

Politics in Amsterdam, the Dutch capital (The Hague is the seat of government), have loog been definited by the Labour and Communist parties, and until the mid-70s most people were happy with that.

"The dramatic shift in thinking quickened in 1983 with the appointment as mayor of Mr Ed Van Thijn, a former Labour minister who survived the German occupation of insterior who survived the german occupation of insterior who survived the minister who survived the german occupation of insterior who survived the german occupation of insteri

The population had been dwindling for two decades as many young families fied to the suburbs, leaving in their wake the poor, elderly and minorities: in short, the same urban problems that beleaguer all big cities.

Accord

By the late 1970s the Labour party had reached an historic accord with the centrist Christian Democrats to launch

The year 1980 was a turning point. People wanted a cleaner German occupation of Jinster-city, more jobs, a city without dam as a young Jewish boy, the new jobs opening up require drugs and demonstrations."

Politics in Amsterdam, the Dutch capital (The Hague is set to work on mending fences the seat of government), have international profile ridding the long been distincted by the city, of hard drugs, againg and cleaning up the labour and until the mid-70s most environment.

The time for half-measures intended to the prospects are bleak. Many of the prospects are bleak, Many of the prospects are bleak. Many of the prospects are bleak and selecommunications, data processing and sophistic at processing and sophistic and pr

But political dissension erupted is past," mayor Van Thijn said in 1984 when he announced a raised about the rising tide of squatters violence, street crime and drug peddling, and the economic decay of the inner city.

Santraws were resumed and a side of squares were resumed as squares were resumed as side of squares were resumed as squares and squares a Zeedijk. Refuse collections on Saurdays were resumed and a major public relations campaign was launched to improve Amsterdam's image.

The Labour-Christian Demo-The Labour-Christian Demo-crat partnership got a fresh mandate in the recent local elec-tions when the Socialists gained strongly, and the small, left-wing coalition, which opposes many of the changes, weakened. The Socialists now hold 21 of the 45 city council seats, while the Christian Democrats bold six

Some successes of the new policies already are apparent. Amsterdam's economy is expanding twice as fast as the expanding twice as fast as the national average, 44 per cent against 2 per cent. The property want a job, and are bappy against 2 per cent. The property want a job, and are bappy against 2 per cent. The property want a job, and are bappy against 2 per cent. The property want a job, and are bappy against 2 per cent. The property want a job, and are bappy against 2 per cent. The property against the economic revival policies as a three-property are booming amid liberalisation and modernisation. Major projects are under way in transport, trade and communications. The hlack mark, however, is unemployment. One in four people is without work and the prospects are bleak. Many of the new jobs opening up require relatively high educational and cated distribution.



City centre street scene and (inset) alderman Dr Enmens Reerma, a moving force behind the city's new economic policies

market" workers, those who actually have jobs but are looking for better paying, or a different kind, of employment. Finally, according to Dr. Heerma, a certain portion of the unemployment do not really want a job, and are bappy enough with their social welfare payments.

panies through the increasingly and foreign financial institutions have gained new freedoms. The banking community generally is finding itself warmly welcomed in the inner city again.

Linking most of Amsterdam's commerce, politics and culture is international trade, which began with the founding of the

Heerma, a certain portion of the unemployment do not really want a job, and are bappy enough with their social welfare payments.

He explains the economic revival policies as a three-pronged approach to achieve pronged approach to achieve river and continues today as a geographically balanced growth throughout the city.

Nurroring the traditional activities such as banking and sonhistities and culture is international trade, which began with the founding of the city in 1275 as a fishing village on the banks of the Amstel river and continues today as a fundamental pillar.

Amsterdam's modern-day burger elite are hoping to build on this tradition to catapult the city into becoming a major international financial centre. The Dutch capital markets bave such as telecommunications, data processing and sophistities.

A new impetus for traditional merchandise trade is coming from three big projects. Ao ultra-modern World Trade Centre that opened last autumn to provide commercial services ranging from video conferencing to electronic mail. plus a hotel, restaurants and supermarket. As a member of the world trade centre association, anotheriam sains links to the Amsterdam gains links to the other 45 trade centres around the world, offering new aveoues for business contacts.

ON OTHER PAGES

Pinance: campaign to lead in Europe Profile: Mayor Ed van Thijn Property: hints of real recovery
Rijksmuseum: controversial gallery
Schipbol Airport: ambitious expansion plan
Tourism: clean-up helps the city
Business guide: useful places/addresses

will allow virtually "paperiess" documentation.

A F1 1.53hn teleport office park that is to provide high-technology office space for companies in telecommunications, automation and information properties.

A F1 1.53hn teleport office housing is in short supply, petty crime continues at an alarmingh high level and the bard drug trade is dying only slowly.

The bousing shortage means are to be a supply of the bard drug trade is dying only slowly. attomation and information pro-cessing, especially those seeking a European headquarters. A huge satellite dish and integra-tion into Amsterdam's fibre optic communications network will allow the latest office outo-

optic communications network will allow the latest office outlomation such as value-added networks and video conferencing.

These ambitious initiatives are expected to help fuel business travel, a promising sector of the tourist industry. Amsterdam's second largest industry, tourism is preparing for the future even though the number of visitors has been affected by the lower dollar and threat of international terrorism.

Four new hotels are under construction at the moment and more are on the drawing boards, raising the number of beds by 10 per cent to 22,000 ln coming years. Occupancy rates are running at around 65 per cent, up from 40 per cent several years ago, and the tourist season is longer than ever, according to Mr Bob Luyken, managing director of the tourist industry association's Amsterdam office, The season now managing director of the tour-ist industry association's Am-sterdam office. The season now runs from the second week in March until the end of Novem-ber and "there is hardly a real winter any more," he says. Tourism could get a hig boost

s March until the end of November and "there is hardly a real winter any more," he says. Tourism could get a hig boost if Amsterdam is chosen from among a half dozen cities to host the 1992 summer Olympic Games, a declsion that will be made on October 17. It is a clear sign of the city's new clear sign of the city's new clear sign of the city's new clear sign of the games. Which would have heen viewed as too hucksterish and ambitious in the past, Dr Heerma says.

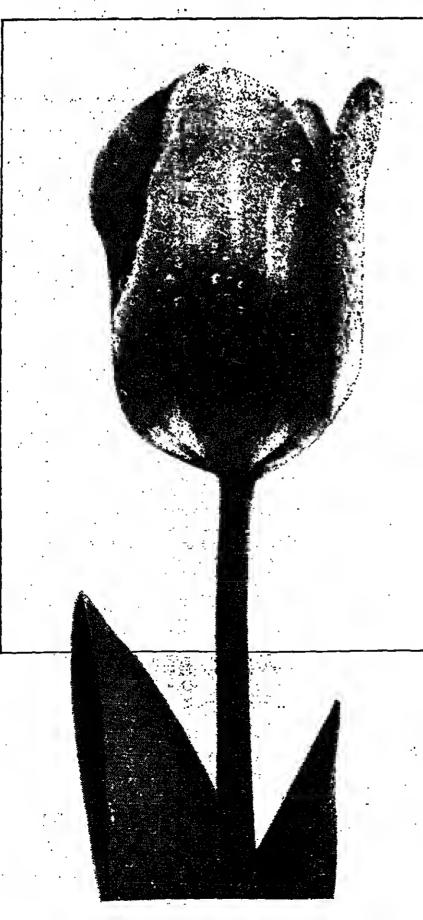
But the city is making its hid in a characteristically Dutch style—touting its sobriety and compactness. The Netherlands' Olympics organising committee believes these qualities will be attractive to the International organising committee in heart of the economy. Mayor Van Thijn bimself is optimistic. "For the first time in years Amsterdam bas courage again. A while back, people with a hig idea that was out of the ordinary. Now, with the information technology plans, the Zeedijk efforts, the plans for the Olympic Games, there is a feeling that we can do it."

bigber than the national aver-age, reot-subsidised council housing is in short supply, petty crime continues at an alarm-

drug trade is dying only slowly.

The bousing shortage means that the city still has more than its share of squatters, but most of them have abandoned the violent tactics that led to confrontations with crack antiriot squads and armoured personnel carriers. Some 50,000 people are still waiting for subsidised dwellings although most of them bave decent housing at the moment, Dr Heerma notes. The radical squatters now are almost entirely limited to one neighbourhood where riots broke out last autumn, leaving one man dead.

Some 7,000 heroin addicts, mostly foreigners, are still known to live in Amsterdam although the law enforcement



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PROFILE: MAYOR ED VAN THIJN

BY CHARLES BATCHELOR

Policies matching the problems

AMSTERDAM the Netherlands' largest and most turbulent city, has made extra-ordinary demands on its municipal leaders in recent

years. Violent protests by squatters drug abuse and related crime a population with more than its re of the elderly, the poor ethnic minority groups; and the difficulties of adapting a largely 17th-century city centre to the demands of the 20th century without destroying it, all combined during the 1970s and early 1980s to make Amsterdam a challenging place to run.

Frequent rowdy scenes in the Amsterdam council chamber led to critics branding the city imgovernable. And as head of the city administration, the or burgomaster usually borne the brunt of that

But the past two to three years have seen a fundamental change, if not in the problems at least in the way Amsterdam is tackling them, according to Ed van Thijn, mayor since June

Van Thijn believes there is a new mood in Amsterdam after the malaise of the 1970s. The city recently launched a promo tion campaign with the slogan "Amsterdam's got it." It is also bidding for the 1992 Olympic

"But there is more to it than just promotion of the city," be says. ." We have the policies to

Van Thijn, an avid computer chess player, is a precise man who chooses his words with care. Now S1, he came to the joh after 24 years in local and astional polities.

He is an Amsterdammer by birth, and studied politics and social science at the University of Amsterdam hefore jolning the staff of the Dutch Labour Party's research unit.
Almost immediately he went

into local politics, serving for nine years on the city council. of them as chairman of the Labour group.
In 1967 be hecame an MP,

remaining in Parliament until men. June 1983. For five of these four June 1983. For five of these four largest Dutch cities and years he led the Parliamentary the 11 provincial capitals have



Ed van Thijn: pushed through police reforms.

Labour party, though the sum-traditionally been allotted to mit of his career in national one of the main political politics was an eight-month spell in 1981-82 as Minister of Home Affairs in the short-lived Labour-Christian Democratic coalition beaded by Mr Dries van Agt.

So how does he find life on the smaller stage of city poli-

"Twe never been in my element as much as in this master of the capital city is a position of national importance. national political scene,"

Mayors in the Netherlands sre Crown appointees—a system van Thijn disapproves of though they work alongside elected councillors and alder-The mayorship of the

can be attributed to the appointment of a new mayor? Van Thijn acknowledges that the character of Amsterdam council was changing by the time he arrived in mid-1983. The splits and factions—within as much as between, the various political parties — which prevented effective government during the 1970s had produced a reaction. A more pragmatic atmosphere was beginning to

He has made use of this change to push through his own reforms of the police and to encourage an energetic attack on the problems of drugs, squatting and the city centre's eco-nomic decline.

Amsterdam is now building about \$,500 new dwellings a year, three to four times the numbers of a few years ago, but still only half what the city Government spending curbs have prevented more bomes being built, van Thijn

A fundamental change in policy has come about with new the city boundary instead of move out to the overspill towns. The capital's first population in crease in 25 years was recorded last year.

The faster rate of new house building has belped defuse the squatting problem. Thijn has also made use of s growing public resistance to the violence and excesses of some of the squatters to move

more firmly against them. Even so be was forced recently to curtail a visit to one of the poorer parts of the vity because of the threat of a violent street confrontation.

Van Thijn has presided over a reorganisation of the police to reduce bureaucracy and put more officers on the best. Tougher action is being taken igainst drug traffickers and the notorious Zeedlik area of central Amsterdam bas purged with an unusually tough city by law preventing street gatherings of more than three people.

But the size of the problem

is not all-powerful Because he is appointed and not elected, the emphasis is on the executive committee of aldermen.

How much of the new mood

Campaign to lead in Europe

Finance LAURA RAUN

AMSTERDAM'S historical role an international financial centre stretches back at least 300 years to the golden 17th century when the city's burger elite created a vast trading empire that spanned the globe.

Lively dealings sprang up in stocks and bonds of the Dutch East and West Indies companies after Amsterdam residents were allowed to invest in these huge ventures, while trading in foreign bonds also flourisbed. An exchange bank finally was set up to control the rangent An exchange bank many was set up to control the rampant foreign currency speculation that naturally accompanied the booming business in foreign bonds and bills of exchange.

bonds and bills of exchange.

Building on its long and rich history of free commerce, Amsterdam now is waging a concerted and ambitious campaign to establish itself as a leading European money centre to rival London. The 386-year-old stock exchange, the oldest continuously traded bourse in the world is making sweeping changes to attract new international investors in a move that is not unlike tors in a move that is not unlike London's planned "big bang."

The Dutch capital markets were dramatically liberalised at the beginning of this year to open the way for an array of popular new instruments. The Amsterdam-based European Options Exchange (EOE) has grown rapidly in recent years and now ranks as the largest options exchange outside the US, while a gold futures market, the first in Continental Europe, was launched last year.

Shrewd

The legacy of the shrewd merchant burgers is still evident today in the tolerance toward foreigners. In the past decade foreign banks have built a sizable presence; con-trolling about one-quarter of all assets, while capital flows are among the most free in Europe.

More foreign shares than

Dutch ones are listed on the Amsterdam stock exchange and foreign members have been accepted for some years.
But the Dutch with their subtle competitiveness are looking over their shoulders and seeing deregulation in London and in West Germany. The bankers along Amsterdam's Herengracht — Gentlemen's Herengracht — Gentlemen's Canal — bave grown increasingly worried that London is siphoning off as much as half of the business in Dutch securities because of its cheaper negotiated commissions and more beautiful dealers' worket

liquid dealers' merket.

The threat of the big bang in October has spurred the recent flurry of activity. The world-wide trend toward globalisation of markets, linked by instant telecommunications, has added pressure for liberalisation. Finally, the deregulation of West Germany capital markets last year could hardly be ignored by the Dutch, whose currency

competes - directly with the An enepuraging sign for the introducing fitures contracts capture. In a blatant bld to recapture was the Dutch Government's guilder rates and dollar rates business lost to the City of London, the Amsterdam stock exchange bas slashed its commissions twice in the past year and a half and now is considered a part of a planned dealers' marging sign for the introducing fitures contracts captures. The liberalism of the capital markets and stock exchange could foster ministry and central bank present allowing negotiated fees as bonds on the grounds that they part of a planned dealers' marging sign for the introducing fitures contracts captures. The introducing fitures contracts captures in the most likely. The liberalism of the capital markets and stock exchange could foster ministry and central bank present in the most likely. The liberalism of the capital markets and stock exchange could foster ministry and central bank present in the most likely. The liberalism of the capital markets and dollar rates the most likely. The liberalism of the capital markets and stock exchange could foster ministry and central bank present in the most likely. The liberalism of the capital markets and stock exchange could foster ministry and central bank present in the most likely. The liberalism of the capital markets and stock exchange could foster ministry and central bank present properties.

transform Amsterdam into one of the most modern exchanges in Europe. The project initially will involve electronic display of the latest price and volume of the latest price and volume information on video terminals and eventually could extend to automated trading. Plans also call for a linkup with other launch several new contracts through the interbourse data information competitive. Two index options system, a project designed to exchange trading among Europe's changes.

Amsterdam is siming to be the EOE which keeps s close eye on the traded options market in London, is planning to ket in London, is planning to competitive. Two index options are likely to be introduced following a recent change in the law to permit such instruments.

Under an agreement with the Tokyo stock exchange, dealings in the 30 companies can continued in the European time zone after the close of trading in Tokyo. Baron van Ittersum, chairman of the Amsterdam stock exchange, has hinted that trading in thesa Japanese stocks eventually could be linked to New York as well.

Amsterdam already leads Europe in the listing of US shares, having begun trade of American stocks in the second half of the last century. The

half of the last century. The recent entry of Citibank, the second-largest American hank, to the bourse is expected to further fuel dealings in US shares:

sation is equally ambitious al-though innovative new products have been trickling out rather slowly. Since January 1 a host of financial instruments have been permitted that were for-bidden before, including float-ing-rate notes, commercial paper, certificates of deposit and bullet bonds.

Foreign banks can now lead manage issues and underwrite as much as one third of an offering up from one quarter.
The Dutch central hank's
rigidly controlled issue calendar has been drastically relaxed so that borrowers can now tap the market pretty much when they want to instead of quening up as in the past.

as in the past.

Ever aware of image, the hanking community and central bank have formatised the Amsterdam interbank offered rate into an official Albor that suggests the pr Libor of London

Amsterdam, which has always

given strong support to the Labour and the smaller Left-wing parties, by costom has a

Mayors serve a six-year term

though this can be renewed until retirement. They have direct responsibility for the police and public order. In this

and all other matters they are expected to act as a unifying

force and to remain above party

Van Thing defines his posi-tion thus: "As representative of the city a burgomaster has

tremendous Influence but he

part of a planned dealers market. This block trading market is viewed as a way of ensuring the liquidity necessary to attract large, institutional investors so necessary for truly international markets.

The bourse also is developing — amid great competitive late more interest rates swaps. Bullet be bounded in the previously were allowed project that ultimately could transform Amsterdam into one of the most modern exchanges

Competitive

The EOE, which keeps s close

among Europe's stock ex law to permit such instruments, changes.

One index option will cover the EOE share index, which is come the premier European based on the 15 Dutch stocks, marketplace for Japanese shares. Trading in this contract was with the listing later this year suspended shortly after its of 30 leading Japanese companies. The stock exchange pending the change in the law recently accepted as new memand now will be resumed. The bers three of the most powerful Japanese securities houses the major market index (MMI)—Nomura, Yamaichi and Dalwa—to help promote trading.

Under an agreement with the Tokyo stock exchange, dealings in the 30 companies can con—The EOE also is studying the

possibility of offering the world's first options on crude oil and refined products in conjunction with Rotterdam, which is among the world'e most important spot oil markets. Under consideration are options on physical oil and products as well as on futures contracts.

The eight-year-old options exchange also is thinking of ground, are being lured away by foreign firms. Consolidation among Dutch brokerage firms is expected to plck up amid heightening competition and beightening competition and heightening competition and heighte The EOE also is studying the

gold futures trading, with con-tracts covering 500 grams and priced guilders. But only a few contracts a day are changing hands and Amsterdam may be beaded in the same direction as London's ill-fated gold futures

market.
The EOE has especially The EOE has especially prided itself on globally-linked trading with stock exchanges in Sydney. Vancover and Montreal. The electronic link-up between the four markets allows fungible trading in gold and silver options nearly 24 hours a day. The international links were widened lest year with the introduction on the EOE of a jumbo £100,000 sterling/dollar option contract that is totally interchangeahle with an identical contract on the Montreal stock exchange.

Montreal stock exchange.

The maelstrom of changes in The maelstrom of changes in the Dutch financial markets is producing some of the same problems in Amsterdam that London is suffering. Securities traders' salaries are soaring amid a shortage of traders aithough pay levels in Amsterdam are still lower than in London or New York.

Part of the prohlem is that Dutch dealers and brokers, who always speak English and have a fairly sophisticated background, are being lured away by foreign firms. Consolidation among Dutch brokerage firms is expected to pick up amid



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Controversial landmark

ONE HUNDRED years after it was huilt the Rijksmuseum in Amsterdam still cuts a Gothic dash among the sober domestic architecture of the Dutch capi-

Last year's centenary celehrations focused attention on this, the best-known of all Dutch art galleries and the one from which most foreign visi-tors form their impression of the richness of Dutch art.

For despite the comprehensiveness of its collections, ranging from paintings through the applied arts, prints and Asiatic art to its historical department, it is the glories of Dutch 17th century painting which most visitors remember.

Rembrand's dramatic Nightwatch, Vermeer's calm domes. watch, vermeer's calm comes-tic interiors and Jacob van Ruisdael's fresh landscapes rarely disappoint. Even the most packaged of tourists will pause before hurrying on to the hulb fields or the pictur-esque fishing villages of the former Ynyder Zee.

former Znyder Zee. National cultural landmarks tend to attract controversy and the Rijksmuseum is no excep-tion. When it was planned, two competitions were held to choose an architect for the prochoose an architect for the pro-ject before Pierre Cuypers, 2 Dutchman best-known for Rijksmuseum CHARLES BATCHELOR

churches, was chosen.

His style of architecture was controversial in a largely Protestant country where Catholics were still shaking off their second-class status.

King William III failed to Middle Ages.

Later, a decision was taken to mount an exhibition of the works of the 17th century Spanish painter Velasquez and his contemporaries, and paintings were borrowed from the

tions with criticism directed at the Rijksmuseum's failure to

the Rijksmuseum's failure to organise any spectacular event or exhibition.

The depth of the economic recession in the early 1980s when the celebrations were being planned, decided the gallery's directors against putting on a costly but necessarily short-lived display. They opted instead to spend what limited funds they had on smartening up the building's exterior and gardens and renovating some of the interior.

Among the changes, an improved system of signposting was devised to help the more

Dutchman best-known for improved system of signposting designing Roman Catholic was devised to help the more

commercial organisations gave their backing; and a small amount was raised by public The gallery's limited resour-ces, by comparison with the far larger sums available even to British galleries has inevitably imposed severe restrictions on the extent to which Dr Simon Levie, director of the Rijks-museum for the past 10 years, has been able to expand the collection.

The price of works of srt has risen inexorably and more and more fine works are being bought by wealthy American return to the free market.

Rembrandt portrait, dating from 1634, of Haesje van Cleyburg, wife of a wealthy Rotterdam

The FI 10m (£2.65m) the painting cost was more than 13

times the gallery's annual pur-chasing budget. However, the government provided additional aid; several artistic trusts and

Dr Levie nevertheless has been able to move the Rijksmuseum closer to its goal of giving a representative view of Dutch art and history from the Middle Ages, and of showing the most important aspects of Enro-pean and Asiatic art. Despite the tickes of its Rem-

Despite the vacaes of its Rem-brandt collection, including such pictures as the Nightwatch, the Syndics and the Jewish Bride, the painter's early years were poorly represented. Over the past 10 years four early paint-ings have been added to the

rollection.

"We don't claim the largest or even the most broadly-based "Rembrandt collection, but we are able to compete on a world scale," Dr Levie says. "We now have a more balanced range of early Rembrandts."

Ambitions

Ambitions

When Dr Levie came to the Rijksmuseum in 1975 a major gap in the gallery's print collection was the work of English print makers. He has done much to remedy that omission by purchasing English works.

Perhaps hecause of the breadth of its ambitions the Rijksmuseum has been unable to build up fully-representative collections of other European schools of painting. English painting is hardly represented and the German, French and Italian collections are incomplete.

Italian collections are incomplete.

Again, money is the problem.

"It is difficult enough to get the funds for important Dutch paintings, let alone for foreign works," Dr Levie says.

The lack of Italian paintings is a matter of some personal regret to Dr Levie. He completed his own doctorfal thesis at Basle University on the Italian painter Daniele Ricciarelli da Volterra, a contemporary of Michelangelo.

On returning to the Netherlands he was for several years curator of Utrecht Central Museum before embarking, in 1963, on the 12-year-long restoration and reorganisation of the Amsterdam Historical Museum. This completed, he

the Amsterdam historical
Museum. This completed, he
took up his present post at the
Rijksmuseum.

A youthful 61, Dr Levie can
expect four more years as head
of his museum. Some of that
time will be spent attempting

to resolve the pressing problem of how 19th century Dutch painting should be presented. Over the decades, pressure to show more pictures has meant the Rijksmuseum's open linner the Rijksmuseum's open limer courtyards have been built over. But given the financial constraints, extending Cuyper's controversial creation sppears to be out of the question. In any case, the Amsterdammers have grown too fond of the huilding William III dismissed contemp-tuously as "a monastery."

First hints of real recovery

Property LAURA RAUN

NEARLY SIX years after the property market began slipping. Amsterdam finally may be seeing the first hims of recovery. Demand for new office space is growing as companies seek accommodation that is more energy efficient, safer and better equipped for sophisticated telecommunications. The take-up of oew office space surged to a record 157,000 square metres in 1984 although it slipped somewhat last year. Office rents no longer are tumbling and have flattened out at Fl 200-250 per square metre, according to square metre, according to Zadelhoff Makelaars, the lar-gest real estate btokers and developers in the Netherlands.

The vacancy rate shrank in 1985 for the first time in six years and is approaching a bealthy level the firm says. healthy level the firm says.

Amsterdam is touring its cheap commercial rents — the lowest of any major European capital — as a calling card for foreign companies wanting to ostablish or expand European offices. The Dutch capital also boasts economic growth twice as fast as the national average.

41 per cent versus 2 per cent.

The trend to the suburbs conthan 900,000 visitors a year (70 per cent from abroad) find their way round more easily.

Originally two exhibitions from the gallery's own collections were planned—of Rembrandt's drawings and of prints of the Master of the Amsterdam Cabinet, an anonymous German artist of the late Middle Ages.

The trend to the suburbs con-tinues as businesses abandon Later, a decision was taken to mount an exhibition of the works of the 17th century Spanish painter Velasquez and his contemporaries, and paintings were borrowed from the Prado Museum in Madrid.

Despite—some say, because of —Spain's lengthy occupation of the Netherlands, Spanish art is poorly represented in Dutch collections.

As a lasting memorial to its centenary year the Rijksmuseum—acquired an early Rembrandt portrait, dating from

merchant bank, to build its new beadquarters right in the centre. The municipal authorities are smiling more favourably on in-fluential financial institutions that want to stay in the city.

centre for reasons of prestige, according to Zadelhoff Make-

Many other concerns ideally would like to remain in the quaint central districts to promore a Dutch image but too often run into restrictive planning policies when they try to improve or expand old halfd-

ings.

The Pierson project would have been completely impassible five years ago. Now there is a new clan about main-

taining the city centre but on a small scale," says Zadelhoff. Amsterdam has enforced re-Amsterdam has emotived to-strictive planning policies for years, with particularly dis-couraging regulations for com-mercial emerprises in the past decade. Conservation and renovation are officially given new construction and this has made it very difficult for businesses to enlarge premises

or add parking ganges.

A gradual and subtle relaxation of these rigid policies is
discernible under the more
dynamic leadership of Amsterdam mayor Ed van Thim, who
took office in 1983. Mr van
Thim has been treading carefully in his efforts to foster
economist growth and still economist growth and still maintain Amsterdam's old-

world charm.
This fresh attitude is what is allowing the demolition of an office building owned by Amsterdam-Rotterdam Bank (Amro), the parent of Pierson, to make room for Pierson's new 12,000-15,000 sq metre head-quarters. Adjacent to Pierson will be a 5,000-8,000 square metre huilding that will provide a new bome for the Amsterdam-based European Options Exchange.

Another factor in the city's

anomer factor in the chay's unusually fast decision to permit the razing of an early 20th century building on a prime site may have been Amro's cancellation of plans to move its eotire headquarters to Amsterdam's Sloterdijk district on the century building on a prime build a tall tower atop its canal sections and sophisticated facilities available for companies arialable for companies on side premises in the city centre. Involved in communications, city hall. The aims of fuelling growth in neighbourhoods and attracting foreign guests will have failed to get the go-ahead, A satellife dish coupled to he observes wryly.

Amro now will more only its



symbol of the city's reviving property market. Located on the southern outskirts, the centre is one of a number of new buildings in this fast-growing area.

year. The domestic operations will remain in the bank's massive stone structure on the Herengracht, or gentlemen's canal, where many of Holland's most powerful banks loom,

The rapidly growing EOE also is likely to have pressured the city for approval of the new huilding on the Rokin after the Options Exchange was refused permission to absorb what is resused permission to absorn of an more space in its present builded by ing. The municipality rejected Bank the EOE's urgent plea to excise on, pand in the architecturally a's new revered Merchant's Exchange head next to the Amsterdam Stock Exchange. Conservationists and history buffs have lobhied city hall to convert the 1903 Beriage building to a museum. Zadelhoff notes that a similar

example of the city's more favourable policy towards financial institutions is the nod for the Dutch Central Bank to

top managemeor and treasury market, especially in the south-department into a new complex east area. The Nieuw Amster-on the southeast outskirts next dam complex, a 30,000 square dam complex, a 30,000 square metre office project that opened

> remains vacaot. Both complexes could he giveo a big hoost, however, if Amsterdam succeeds in its hid to bost the 1992 Summer Olympics. The Dutch Olympic organising committee is headquartered in the Nieuw Amsterdam building and a new Olympic stadium will he huilt nearby if Amsterdam wins the hidding Amsterdam wins the bidding for the Olympic Games on

Amsterdam wins the bidding for the Olympic Games on October 17.

By far the most ambitious project on the horizon is the F11.53hn, 350,000 sq metre Teleport office park that is planned for the city's northwest periphery. The Teleport project, like its counterparts in London, New York and Osaka, promises the most modero telecommunications and sophisticated facilities available for companies

800.

600.

500.

400.

160

150

140

130. 120.

110.

100

90.

80

70 60. 50.

9004 (in million guilders)

'82

'81

170. (in billion guilders)

'83

'83

'84

.85

local and wide area networks, value added networks, usignal scrambling for confidentiality and high-speed digital data I in k.s. Computer controlled "smart buildings" offer energy efficiency and security.

Construction of the Teleport's first building, which has been given the clumsy sobriquet of "Busitel," will begin in May. Some 80,000 sq metres of housing, 70,000 sq metres of other facilities such as light assembly and a 150-200 room hotel also are planted for the massive project, scheduled to he finished by the year 2000.

A host of government authori-

by the year 2000.

A host of government authorities and private concerns are backing the Teleport, with the City of Amsterdam taking a leading role. Other partners include the Dutch PTT telecommunications agency, the Economics Ministry and the Amsterdam Cahle Television Company. The project developer is VOM Netherlands, a mixed venture capitat commixed venture capitat com-

last year, is only 7 per cent pany.
occupied and 20 per cent of the 72,000 square metre Atlas centre
the project, though, Bureau the project, the project than the project t Delays are already plaguing the project, though. Bureaucratic tangling at the Dutch PTT has prevented the fixing of rental rates, which will incorporate fees for communications facilities and services. Most of these facilities and services will be opened to private competition by 1988 and the PTT is struggling to decide now how to position itself

now how to position itself against the market. Besides the Teleport hotel,

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Ambitious strategy to expand

Schiphol Airport

LAURA RAUN

AMSTERDAM'S SCHIPHOL airport has been named the best, most efficient, most convenient airport, so many times in recent

airport, so many times in recent years that it easily could ride on its laurels. But that's not happening.

Schiphol is charging ahead with an ambitious Fl 1.5bn (£400m) 10-year expansion and modernisation plan that is designed to prepare for a doubling of passengers and freight by the year 2000. As worldwide air traffic continues to grow, Schiphol aims to capture a bigger share by building on its established reputation for reliability and comfort.

isshed reputation for reliability and comfort.

The strategy bes in promoting Schipbol as an efficient link for transit passengers and cargo, a coovenient entry for tourists and business travellers and a sophisticated distribution centre.

for merchandise goods. Mr A. H. Huijerman, the air-Mr A. H. Huijerman, the airport's macaging director for finance says: "There will develop over the loog-term five or six very important gateways in the world. We aim to be one of those gateways."

Schiphol ranks fifth in passengers and fourth io cargo among European airports and is one of the fastest growing, causing on small worry for the

causing oo small worry for the Londoo airports which also are eogaged in major improvements. Because of the relatively small domestic market, Schipbol ls Europe's most ioternational airport and already serves as an important gateway to Europe because of the Netherland's location and highly developed transport facilities. One-third of all passengers are io transit. Like much of the Nether-Like much of the Nether-laods, the airport sits oo polder land that was dredged up a century ago from a waterway and is still four metres below sea level. The Haarlem lake, south of Amsterdam, was filled with boats sailing to Haarlem, giving rise to the name Schi-phol, or ship's bole. Begun as a military airport around 1916. Schiphol became Amsterdam's muolcipal airport a decade later. In 1958 it was shared out, with the Dutch Govern-ment taking a 76 per ceot stake ment taking a 76 per ceot stake and the city of Rotterdam 2 per cent.

A limited liability company, Schipbol is financially self-supporting, receiving no subsidies for operations or losses and planoing to finance much of the Fl 1.5bn investment programme ioternally. Operating profit amounted to Fl 31.5m last year, about the same level as io 1984 The airport is served by 64 airlines with connecting flights to 190 cities in 85 countries. per cent to 11.7m last year, but

growth is expected to slow to in the seminal Wagner Commis-around 3½ per cent this year, mostly due to heavy cancella-tions by American tourists fearful of terrorism and robbed

mostly due to heavy cancellations by American tourists fearful of terrorism and robbed of the strong dollar. Mr Hutjerman Insists that the airport's security system compares favourably with others but extra safety measures have been provided for the American airlines after the terrorist attacks on the Rome and Vieona airmorts last Chrismas

attacks on the Rome and Vieona airports last Chrismas.
Freight traffic, which depends heavily on North Atlantic routes, fell a slight 0.5 per cent to 436,000 tonnes last year on the slowdown in the US economy and the weaker dollar. But it is expected to rebound But it is expected to rebound about 3 per cent this year despite the decline in world

Start-up

The number of aircraft movements rose 7 per cent last year, the first increase since, 1979 when the second oil crisis slowed air traffic. The start-up of Netherlines, a new regional airlines, fuelled much of the growth. Regional airlines and helicopter service to offshore oil and gas operations in the North Sea are expected to cootinue to

and gas operations in the North
Sea are expected to cootinue to
expand in coming years.

The heavy modernisation
plan, which is due to be finished
about 1995, involves almost all
aspects of the sprawling airport
and is designed to exploit the
airport's strategic role in trade
and tourism. Schiphol was
and tourism was and tourism. Schiphol was
and tourism was a sea and tourism.

passeogers, who arrive in the same terminal from which they eventually depart. The terminal will be refurbished and expanded to connect to one of two oew piers.

Demolition and reconstruction of the "C" pier to double the length and nearly double the aircraft capacity to 10 accommodations, with completion scheduled for next year. • Construction of an entirely new "E" pier in the 1990s, with new aprons built soooer to provide more aircraft parking

• Introduction of a computerised baggage sortiog system and construction of a new baggage basemeot, including special facilities for rush lug-

gage.

Widening of access roads and enlargement of the parking

targeted several years ago as Schipbol as ao entrepot for one of the Netherlands' most Europe, the Middle East and promising commercial activities Africa. These companies take

houses that can be built anywhere and offer a kind of free trade zone. The warehouses are used to stockpile goods, free of import duties, until forwarding to the final destination.

• Introduction of a computer-ised customs systems that will electronically link customs agents, air carriers, freight forwarders and merchandise companies to provide almost paperless documentation.

Dr Enneus Heerma, Amster-Dr Enneus Heerma, Amsterdam alderman in charge of economic affairs, recently explained in a municipal publication the importance of Schiphol's ambitious improvements. "With 30,000 employees. Schiphol is a bigger amployer than the city itself. When you consider that, it doesn't look so crazy to justify investments of F1 1.5bn. Schiphol has a magnetic function for a lot of other commercial aspects of the city."

As one of the world's most

As one of the world's most modern and convenient air-ports; Schiphol has received a string of prizes over the years. Business Traveller and Executive Travel, British magazines for business travellers, both named Schiphol the best airport in the world last year. If was the fourth time that Schiphol has been commended

by both.

Travel Check, the Belgian travel magazine, and the loternational airline passengers association also cited the Dutch airport as the best in the world.
Schiphol wants to keep things



By LAURA RAUN

AMSTERDAM, is a convenient city for the business traveller because of its compactness and efficient transit system. More over, most Dutch people speak English as well as French and German. A map is belpful however, as the crescents of canals in the centre sometimes carve op the streets into a con-

fusiog maze. The city offers an ample array of entertainment and cultural delights after the work is dooe. Here is a list of hints for getting around the city and some of the better-known accommodations and amuse

ments.
Amsterdam's layout stems amsterdam's layour stems from its founding 700 years age, with Dam Square as the centre and the canals ringing the centre in semicircles. Beyond the inner city a more modero grid takes over.

Transport:

It is important to know that taxis can't be flagged on the street but are available only at the many stands and by call-ing on the telephone. The tele-phone number of the central taxi exchange is 77-77 77 aod frequently there is a queue of callers. A tape recording tells bow many callers are in line ahead of you, so wait ontil a live voice answers.

Trams and buses criss-cross the city in a deose grid. Tickets can be purchased from the conductor, at oews-stands and at the ceotral railway station. Trains run to The Hague and Rotterdam every 15 minutes and tickets can be purchased on the train for travellers in a

hirry.

Schiphol airport is 12 kilometres sooth of Amsterdam, 25 minutes by faxi. The fare is about F1 45 including tip.

Trains run every 15 minutes to the Amster the must be taken into the city of tre.

Hotels:

For travellers with busicess in the city centre, four hotels are convenient.

Pulitzer Hotel Prins gracht 315/331, tel 22 83 33. Doelenstraat 2, tel 23 48 36. Sonesta, Kattengat 1, tel 21

Amstel Hotel, Prof Tulpplein 1, tel 22 60 60. • Restaurants:

Amsterdam restaurants excel at fresh fish and a voriety of vegetables from greenhouses all year-round. Traditional Dutch Government's security alert for competing against a half dozen the Netherlands.

The terrorism scare and weaker dollar together could cut the number of Americao tourists by as much as 15 per cent this year, he continues, although the fall is expected to the fall is expected to the fall of the

with rice. • Museums: Of Amsterdam's 40 museums, here are some of the best-

policy plan for 1987-90 is in the offing. One aim is to draw more international conventions and "incentive" visitors, groups of employees who are given trips as sales incentives. Rijksmuseum — National Museum, Stadhooderskade 42. Vincent Van Gogh Museum— Collection of the artist's works: Paulus Potterstraat 7.
Stedellik Museum — Works range from 1850 to the present; Paulus Potterstraat 13. Amsterdam Historical Museum — Displays depicting Amsterdam's past: Kalverstraat

visitors, who account for only about 5 per cent of all tourists, are an attractive target because they spend more money and stay longer than leisure travellers. Travellers.

One promotional effort that has achieved some success ia the "Amsterdam's got it" campaign launched two years ago to freshen up the city's image within the Netherlands. Although domestic visitors account for only 5 per cent of all tourists, worries were growing that the capital city consistently ranked as a less desirable destination for fellow Dutchmen.

Anne Frank House—a present of canal-house where the now-famous Jewisb girl hid during World War Two: Prinsengracht 263.

Theatres include:

Stadsschouwburg, Leidseplein 26, Tel 24 23 11.

Carre Theatre. Amstel 115/125, Tel 22 52 25.

Canal boat tours:

Hollaod International—Prins Hendrikkade, opposite the Central Railway States.

during World War Two: Prinsengracht 263.

Theatres include:
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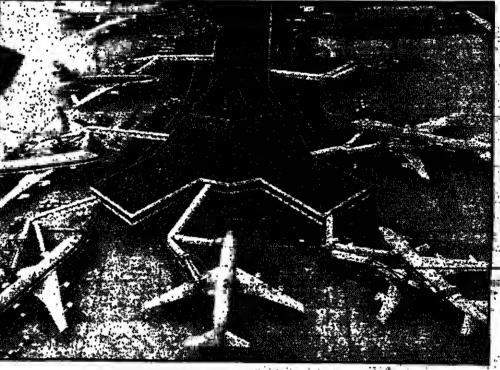
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Royal Dutch Airlines (Tel. 74 77 47). 26 64 44.

Tourist information: Tel Useful addresses business visitors include:

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5; Tel. 23 97 11. Chamber of Commerce: Koning Wilhelminaplein 13;



One of Schipel's arrival/departure piers. The airport is being developed to double its capacity

Clean-up helps the city

Tourism

LAURA RAUN

AMSTERDAM is Europe's fourth most popular capital after Paris. London and Rome, cities that are several times larger. But persistence and typical Dutch thoroughness have moulded tourism into the second most important industry in the city after banking and finance, with annual turnover

Amsterdam's old-world charm has belped, of course. The tree-lioed canals, gracefully gabled houses and quaint bridges still evoke images of the golden 17th century when shipping mercentury when snipping mer-chants built Amsterdam into a world power. The 700-year-old city, filled with modestly pro-portioned buildings and lace-curtained windows, retains an appealing village atmosphere reminiscent of the master

Dutch painters. Dutch painters.

A multitude of museums and monuments plus the internationally renowned Concert-gebouw orchestra and Dutch National Ballet attract visitors from all over the world.

The number of international tourists has grown more or less steadily since 1950, with dips after the oil crises of the 1970s. The slogan "Surprising Amsterdam" bas been used continuously for 20 years to foster name familiarity, a consistent image and co-ordinated activi-ties in the industry. The number of visitors surged to a record 1.5m in 1984, with Americans accounting more than 17 per cent.

The plummeting dollar trimmed that oumber by about 21 per cent last year, according to Mr Bob Luyken, managing director of the VVV tourist industry association's Amster dam office. This year looks flat to perhaps slightly bigher, Mr Luyken adds. He has worked in the VVV Amsterdam office for 25 years and takes a rather philosophical view of the figures. "Tourism always goes in waves," he notes.

He concedes, bowever, that the terrorist attacks on the Rome and Vienna airports last Christmas have taken a heavy toll oo tourism from the US. Many American tourists and tour operators cancelled plans to visit Amsterdam after the airport killings and the Dutch

The terrorism scare and weaker dollar together could cut the number of Americao tourists by as much as 15 per cent this year, he continues, although the fall is expected atthough the rati is expected to be fully compensated by a rise in European tourists. Amsterdam hoteliers, worried about the heavy cancellations, have cootributed largely to an extra FI 1.5m allocated for attacking comparison. advertising campaigns in the US and Canada by the Dutch Tourist Board. .

The VVV's efforts to promote tourism iovolve two initiatives—to enhance the city's oatural beauty and to improve promotion. Both dovetail with the energetic new policies emanat-ing from city hall, aimed at reviving the economy and restoring Amsterdam's self-confidence.

Expectations

Mayor Ed van Thijo's coocerted campaign to clean up the city has removed some of the city has removed some of the tarnish from the old-fashioned image that visitors still expect to find, according to Mr Luyken. "They come to see windmills, tulips, cheese and every girl cleaning the windows," be explains. "Those expectations are too high," but some things can be done.

The mayor's other efforts also bave heeo welcomed: greater co-operation with the business community to fuel inner city house. A recent growth, more neighbourhood police patrols to combat street that Amsterdar crime and ridding the Zeedijk the fourth most district ness central station of city to visit. beroin dealers.

an initiative that would have three still find Amsterdam too been unthinkable until a couple dirty and dangerous to want to of years ago. The Dutch city is visit.

Similar to the successful "I

buge boost for tourism. .

Improving promotion generally is the other concern of the VVV and a new mid-term

Conventioneera and incentive

Similar to the successful. "I Love. New York" campaign,
Amsterdam businessmen and city ball joined forces to saturate the city with the logo "Amsterdam's got it" over the smiling face of a canal house. A recent public opinion survey among the Dutch showed that Amsterdam had risen to that Amsterdam had risen to the fourth most desirable Dutch

However, there is still much Amsterdam also is bidding to room for improvement. The bost the 1992 summer Olympics, survey also showed that one in three still find Amsterdam too

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MR HEINZ RUHNAU is to stay on as chief executive of Lufthansa, the West German airline, surviving a bont of turbulence which threatened to shake him out of the job.

The supervisory board of the airline, ignoring some thinly-concealed political suiping of Mr Ruhnau, has decided the Lufthansa chief a contract is to be renewed for five more years when It expires in 1987. The board says it is sure the airline, out of the possible of the latter of the latter of the possible of the latter o

on as chief executive of Lufthansa, the West German airline, surviving a bont of turbulence which threatened to shake him out of the job.

Tho supervisory board of the airline, ignoring some thinly-concealed political smiping of Mr. Ruhnau, has decided the Lufthansa chief's contract is to be renewed for five more years when it expires in 1987. The board says it is sure the airline, which is 74 per cent state-owned, will continue to be well led right into the 1990s.

Speculation about Mr. Ruhnau's futuro arose earlier time the 1990s.

Speculation about Mr. Ruhnau's futuro arose earlier time the forfeited large aums, possibly totalling more than DM 200m (\$88m), through currency transactions in connection with the purchase of air and the US.

Mr. Ruhnau, a member of the opposition Social Democrat. Party (SPD), promptly came

International reshuffle at Amex bank

AMERICAN EXPRESS BANK (AEB) has announced changes to its international merchant

to its international merchant banking operations.

Mr. R. Paul Fukuda, who previously managed the bank's business in Japan, Hong Kong, Taiwan, the Philippines and Korea, will head its merchant banking group in Hong Kong. Mr Axel Hirschberg, previously with Merck, Finck Co., Munich, has joined the group as a senior vice president and will head the bank's merchant banking group in London.

head the bank's merchant banking group in London. Mr Salim M. Lalani, formerly with Bank of America International, London, has joined the London merchant banking group and Mr Kuen B. Kim, previously a vice president at Bankers Trust in New York, has joined AEB's Hong Kong merchant banking group as a first Vice President.

Kuwait bank UK role

Kidder Peabody technology intove

KIDDER PEABODY, the New tarsky executive vicepresident and chief financial officer.

Mr Woltarsky, 40, joins Mosetions, and corporate finance in the high technology field. Mr woltarsky, 40, joins Mosetions, and corporate finance in the high technology field. Mr Robert J. Conrads takes charge of mergers and acquisitions, and Mr Robert Pangia corporate
finance.

* * * * *

Bear Steams & Co, has all nounced the appointment of Mr and the proposition of Mr and the pro

been appointed general mana-ger. London of the National ger, London of the National Bank of Kuwait, in succession to Mr Neville A. S. Mills, who is retiring.

Nokia sets up new board

BY OLLI VIRTANEN IN HELSINKI

NOKIA, the Finnish multibranch company with interests in electronics, paper and rubber industries, has reshuffled its organisation by introducing the supervisory board and appointing the current group president. Mr. Kari Kairamo, as chairman of the board of directors. Mr. Kari Kairamo, as chairman of the board of directors will continuo as chief executive officer of the Nokia group.

The reason given for the moves is tho company's rapid growth and diversification be Mr. Simo Vuorilebto, currently a company vice president.

MOSELY, Hallgarten, Esta-brook and Weeden Holding Cor-poration, the New York finan-cial services group, has appointed Mr James W. Woli-

NOKIA, the Finnish multi- load of the top management.

nomiced the appointment of Mr Lawrence Kndlow as chief economist and associate director of the company, reports AP-DJ from New York.

Mitsubishi Banking **US** chief

MITSUBISHI TRUST and Banking, Japan's largest trust bank, has appointed Mr Michibiro Sekiya as chairman and president of Mitsubishi Trust (USA), its newly formed New York offshoot.

formed New York offshoot.

Mr Sekiya, currently general manager of the bank's existing New York branch, has been with Mitsubishi Trust for 27 years and has been with Mitsubishi Trust for 27 years and has hold previous positions in London and Hong Kong. The new unit will offer hanking and trust (fund management) trust (fund management) services to US companies, financial institutions and government agencies,

"The commitment to establishing a truly American banking subsidiary is further evidenced by the American directors as well as senior management of the new bank," Mr Sekiya says. Mr Thomas Ivanyi has jeined as vice chairman and managing director after 20 years with Citibank.

CME elects operating head

Mr Michael J. Apaioff, special assistant to the US House of Representatives' majority whip, is to be executive vice president and chief operating officer of the Chicago Mercantile Exchange (CME).

Mr Apatoff, 30, will be responsible, as from June 1, for the exchange's doy-to-day operations. He will report to the CME president and chiof executive. Mr William J. Brodsky.

Credit Agricole post

Credit Agricolo has appointed Mr Rainier Glott, 51, senior vice-president and general manager of the subsidiary it is due to open in Frankfurt in October

Credit Agricole, Mr Glott was with Chase Manhattan Bank in Europe, He was for a time manager of the Chase branch Refore gaining in Frankfurt, and eventually area treasury executive in London.

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US Steel unit move

MR BROCK ROWLEY, 53, has been appointed president of the American Bridge division of US Steel, in succession to Mr Edward L. Smith. Tha division is involved in computer-aided engineering design, and tho construction of such things as buildings, bridges and blast furnaces. ings, bridges and blast furnaces.
Mr Smith remains president of
USS Engineers and Consultants.

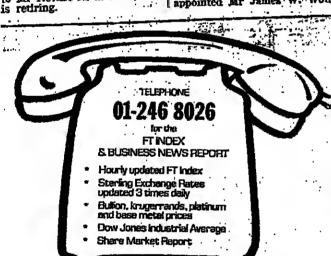
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FT CROSSWORD PUZZLE No. 5,996

ACROSS
1 Frightened friend? (6)
4 Red Indian organisation of

red indian organisation of coachmen (8)

10 View of spreadeagled stumps to a batsman? (7)

11 Runnor allowed to take part in a different heat (7)
12 Miss out certain doctrines

(4)
13 Picture-house (3, 7)
15 Turn to band with faint praise (3, 3)

teacher (7)

praise (3, 3)
16 A secondary teacher (7)
20 Fastened by a thread (7)
21 Equally an expansive person (2, 4) 24 Censorious writer (4, 6)

26 Bill turned in a murderer 19 Nolse — of dropped brick?

28 Given command (7) 29 It unfits men for high positions (7)
30 Wild glen redeveloped for

housing (8)
31 The angle from which a goal may be headed in? (6) DOWN

1 Result of division not quite 2 Yet someone has to pull the correct (8) trigger (9)

3 School bill goes up (4) 5 A bothouse for Protestan extremists? (8)
6 No cause for rejoicing when

standards are as low as this

standards are as low as this
(2, 44)
7 West Indian going round
Cheshire town (5)
8 Name that's evenly distributed for girls or boys (6)
9 Risk involved with a novice
playing the bagpines (5)
14 Inflationary turn of the
screw? (4, 6)
17 Engoblement for the archi-17 Ennoblement for the archi-

tect? (9) 18 Checked the speed of a horse (6, 2)

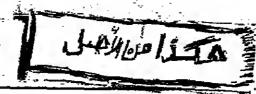
22 Sailor on the way overseas 23 One may see through this

riddle (5)
25 Not appropriate, being excessive (5)
27 Vivacity I found in a revolutionary sphere (4) The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

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TRADITIONAL OPTIONS 3-month call rates

A selection of Options traded in given on the Landon Stock Exchange Report Fage.

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Company Notices

KLEINWORT, BENSON, LONSDALE LIMITED US\$25,000,000 844% BONDS 1987

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The Bonds were drawn in the presence of Mr. 1. R. Frame. Notary Public and Miss 1, D. Reid, Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3OB. On or after 15th Man 1950, the above Bonds may be presented for redemption at their principal amount at the specified offices of the paying agents appointed as mentions. Each of the above Bonds, when presented by redemption, must be accompanied by all the Coupons maturing after the redemption date. If such Coupons are not at missing unmatured Coupons will be deducted from the sum due for payment. The Coupons due on 15th May 1950 should be presented for payment in the source.

14th April 1986

COMMERZBANK 3/2

Agenda for the Meeting

Agenda for the Meeting

1. To present — The Annual Statement of Accounts and Annual Report of the Board of Managamant.

— The Annual Report of the Sopervisory Board, and
— The Consolidated Annual Accounts and Annual Report, all for 1985;

2. To approve the payment of o dividend of OM. 8.00 per OM. 50 nominal amount of Shares held;

3. To approve the actions of the Board of Managament for 1985;

4. To approve the actions of the Supervisory Board for 1985;

5. To legat two members is the Supervisory Board;

6. To appoint the Auditors for 1988.

United Kingdom chareholders who wish to attend and wote at the Annual General Meeting should inform Commerchank A.G., London Stanch, 1911 Austin Friers, London ECP 210. or S. G. Warburg & Co. Ltd., 35 Kins William Street, London Starch, 35 Kins William Street, London 5 Kans A.S., but the Meeting Street London 5 Kans Street London 5 Kans William Street, London 5 Kans Street London 5 Kans Street London 5 Kans William Street, London 5 Kans Street London 5 Kans Street

Coales of the Company's Annual Report for 1985 in German will be able shortly from Commerchank A.G. and S. G. Warburg & Co. 1td. The riln Snglish is in course of preparation. COMMERZBANK AKTIENGESELLSCHAFT

NOVA SCOTIA POWER CORPORATION

91% Sinking Fund Debentures 1989 The Bank of Nova Scotie Trust Company Channel Islands Limited as Fiscal Agent announce that the entire redemption instalment of USS3,000,000 due 15th May, 1986, was met by purchase in the market.

Queen's House 13-15 Dan Road, St Helier Jersey, Channel Islands

PARINTER BOND FUND S.A. 10 A Boulevard Royal Luxembourg

NOTICE TO SHAREHOLDERS NOTICE TO SHAREHOLDERS
Earact of the minutes of the
moeting of the board of directors
hold on Thursday 8th April, 1986
et the Registored Office in Luxembeurg, 10 A Boutevord Reyel —
"Resolution: postponement of the
Annual General Meeting of shoreholders. The Boord of Directors
discides unonimeusly to defer the
Annual General Macting to be hold
on Tunadoy 15th April, 1985, cietutory data, to Tuesday 6th May, 1998
ot 12 hours."
J. Piarson
Secretory

000,000,000 GZU CAISSE NATIONALE DES TELECOMMUNICATIONS Floating Rate Notes due 2000 AMENDMENT

Due to the fact that he notice fising the new interest period was sublished with a delay of two business days, the interest period beginning April 14th, 1986 will be of one month. The Fiscal Agent Banque Nationale de Perls (Luxembourg) S.A.

CAISSE NATIONALE DES Floating Rate Notes Issue of US\$ 300,000,000 1985-2000

For the period of 1 month, from April 14 to May 14 1986 (30 days), the Notes will bear interest rate of 715 per cent per ennum.

The payable interest due May 14 1986 for each nominal Note of US\$10,000 will be US\$58.85.

ORTAC INVESTMENT HOLDINGS INCORPORATED NOTICE IS HEREBY GIVEN that the Annual General Meeting of Orfac Investment Holdings Incorporated will be held at 27 Bd. Abbert 10r. Monaco on Monday Sti May 1986 at 12 noon for the following purposes: Sth May 1980 at 12 mean at the number of purpose;

(1) To receive the Report of the Oirectors and the Accounts for the year ended 31st December 1985, and the Report of the Auditors.

(2) To re-elect the Oirectors of the Corporation.

(3) To re-appoint the Auditors and to authorise the Oirectors to fix their suthorise the Oirectors to fix their such of the Auditors.

OIMOSIA EPINIRISIS ELEKTRISMOU (PUBLIC POWER CORPORATION) USSSO, 1880, 1888 FLOATING RATE NOTES DUE 1984 NOTICE IS HERETY GIVEN that for the interest period commencing on April 18th 1968 the Notes will bear laterest of the rate of 71°C, per armum. The interest payabla on October 15th 1968 spainst Coupon No. 8 will be USS18109-37 per USS586,000 Notes.

SOCIETE GENERALE ALSACIENNE DE BANQUE AUTOMOBILES PEUGEOT French "société anonyme" apital: French Franc 1.900,000,000 SOGENAL Societé Anonyme Franc 218,300,000 Head Officer STRASBOURG mmercial Register; Surg B 548 501 314 Head Office: avenue de la Grande Armée Paris 16ême (France) Commercial Register: Paris B 882 144 503

Strasbourg B SA8 SOI 312

SECONO NOTICE TO HOLDERS OF FLOATING RATE NOTES 1985-1995

The holders of the international floating rate notes 1985-1995 issued by SCIETE GENERALE ALSACIENNE OE BANQUE—SOGBNAL. who was called for Abril 3, 1966 being unablinto meet validly for lack of autorities noteholders are again called 10 an Ordinary General Meeting at 3 an Ordinary General Meeting at 3 an Ordinary General Meeting at 5 are due to Consider the same agendo as the consideration of the stabilitude representatives needed for the same agendo as the same agendo as the consideration of the stabilitude representatives. OF FRENCH FRANC 5.000
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May 2. 1986, at 3.30 p.m. in
to consider the same assents
to consider the same assents

Contracts and Tenders

REPUBLIC OF SEYCHELLES

Greater Victoria Sewerage Project Call for International Tenders

EMPLOYER EMPLOYER Minlatry of Planning and External Relation National House — PO Box 656 Victoria — Maho

24041 Tnlex: 2280 MINAE SZ

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Civil works
12 pumes total (4 stand-by)
Pipeworks and fittings
Rehabilitation of 3 existing pumping stations

Employer: diameter 450, fongth 2800 re 400, ... 100 m ... 300, ... 100 m ... 150, ... 2400 m

12 months. CONSULTINO ENDINEERS

MSULTINO ENDINEERS
Societe Grenobloise d'Etudes et d'App
(SDGREAH)
Servico SAA
BP 172 X
38042 GRENOBLE CEDEX
FRANCE
Tolephone: 78098022 Tnlox: 980878 F
National Consultancy Services (NCS)
Investmant House — PO Box 31
Wictoria — Maho
Seycholles
Telephone: 21235/8 Tslox: 2318 SZ
Important: Tenderers requiring additicontact NCS.

Telephone: Tenderers requiring ad-contact NCS.

RCHASE OF TENDER DOCUMENTS
o tender documents in English may be
2500 SR to NCS (plus postage)

- 2800 FF to SOGREAH (plus postage)
had of payment will be by banker's draft enclosed with the
lication and made out to NCS or SOGREAH or by toles transfer NCS Bank Account No. 529 Habib Bank Ltd./PO Box 702/Victoria

er — SOGREAH Back Account No. 31489 00110 00083 493 429 02 INDOSUEZ/15, boulevard Edouard Rey/38000 GRENOBLE LIMIT DATE FOR SUBMITTING TENDER 30th June 1986, Tonder shall be sent to:

30th June 1986,
Todder shall be sent to:
The General Managor
National Consultancy Services
Investment House — PO Box 31
Victorio — Mahe — Seychelies
VALIDITY OF TENDEM
The Tender shall be irreveable for a period of 120 days latest date fixed for receiving tanders.

THE SYRIAN ARAB REPUBLIC

Ministry of Irrigation G.O.E.D.B., RABQA No. d32/A

Dete: 27/03/1986 FOREIGN CALL FOR TENDERS FOR THE SECOND TIME

The General Organization for the Exploitation and Development of the Euphrstes Basin (GOEDEB), RAQQA, AL-DERI, IA"

Seventeen (17) Crswler Tractors—for Horticulture with the following supplements per each tractors—

Rotary cultivator

- Plough

Disc plough Sprsyer The technical specification and the special delivery terms attached to this call for tender can be obtained from the headquarters of (GOEDEB) in RAQQA or from any of Damacus or Aleppo offices.

Delivery period: Shortest possible
 Bid bond: S per cent from the offer value to be submitted.

Bid bond: S per cent from the offer value to be submitted by bank guerantee issued through eny branch of the C.B.S. and to be attached to the offer.

Final Deposits: 10 per cent from the contract price to be submitted when signing the contract and to be valid for all the duration period of the contract.

Offer should be placed in three envelopes:

a) for bid Bond supporting documents concerning the

offerer and tender. b) for technical details supported by catelogues and technical bulletins.

technical bulletins.

c) for financial details. Then ell in main envelopes stamped by the stamp of the offerer and featuring the subject of the tender.

Offers should be submitted to the headquarters of the organisation in DERI, IA—, RAQQA or to any of its ending at the end of the official working hours on 22/05/1986, after which the offer should stand firm for 60 days.

The offerer should be abide with the rules of the contracts issued by legislative degree No. 195 for the year 1974.

issued by legislative decree No. 195 for the year 1974.

Any offer coming after the A/M date will be ignored.

Director General DR. ENG. ABDO KASEM GOEDEB, RAQQA, SYR.

STRATHCLYDE REGIONAL COUNCIL WATER DEPARTMENT

INSTALLATION OF LABORATORY DATA MANAGEMENT SYSTEM

It is proposed to invite tendors from experienced contractors for the supply, delivery, iostalletion and commissioning of a computer based Laboratory Data Management System for Strathelyde Regional Council Water Department. The system will be installed et the Water Department premises in

Balmore Road, Glasgow, and will be based on a mini computer, which must be capable of supporting up to sixty workstations. Tenderers should offer for all of the system and on receipt of proposals based on an inicel specification, the Council will select e short list of contractors. Those companies on the short list will then be invited to enter discussions with the Cooncil and thereafter to submit a detailed tender. The Initial specification can be obtained from the Director of Weter, Strathclyde Regional Cooncil, 419 Balmore Road, Glasgow G22 6NU.

All requests for clerification of requirements should be sent to the above address. Telephone enquiries should be eddressed to Mr. A. Britton, Weter Department, 041-336 5333.

The final date for receipt of request to participate will be Friday,

Detailed tender documence will be sent to all contractors on the short list.
(Notice of this contract was dispetched to the Official Journal of

the European Communities on 2 April 1986.) W.T. DEVENAY

Legal Notices

No. COOCH of 1985
IN THE HIGH COURT OF JUSTICE Chancery Division in the Martin of GOMME HOLDINGS PLC COMPANIES ACT 1985
IN THE MATTER OF
UNITED RAILWAYS OF THE HAVANA
AND REGLA WAREHOUSES LIMITED

nesta WakeMouses Limit (in Voluntary Liquidation) Registered Offics: 17 Southampton Place. London WCIA 2EH

NOTICE IS HEREBY GIVEN MAY Position was on the 6th March 190 presented to Her Majesty's High Cou NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Members (Helders of Consolidated Stock) of the ebove-named Company will be hald et 17 Southampton Piece. London WCIA 2EH, on the 12th May 1988 at 12.10 p.m., for the purposes of considering, and if thought fit, passing the fellowing Resolutions:

1. THAT the resignation of Heary John Dunn Finchett, by reason of his retirement, as Liquidator of the Company with effect from close of business of the Meeting be and is hereby eccepted.

2. THAT Addison John Pontin of the of the Capture from £4,000,000 to Company from £4,000,000 to £775,860 by cancelling shares in accordance with the twins of the said Schemo of Arrangement AND NOTICE IS FURTHER GIVEN that the said Pation is directed to be heard before the honourable Mr Justice, Hoffmenn at the Royal Courts of Justice, Strend, London, WC2, on Monday the

histories of the electric to the hereby eccepted. That Adrian John Pontic of the firm of Boll Baker Lake, Chartered Accountants, he end is hereby appointed as Liquidator of the Company for the purposes of the Voluciery Winding-Up of the Company with effect from the close of business of this Meating. That he Account of the Liquidators of the Wioding-Up brought down to 12th May 1986 he and is hereby approved. sted this Seventh day of April 1986.

N. J. O. FINCHETT. Liquidator.

Personal

IN THE MATTER OF GLENCOE KINTWEAR LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required on or before the 75th day of May, 1988, to send in their full Christian and eurnemes, that addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any); m the undersigned Philip Monizck, FCA, of 30 Easthourne Terroce, London W2 6LF, the Liquidator of the erid Company, end, if so required by notice in writing from the seld Liquidator, are, personally or by their Solicitors, to come in and prove their debtus el claims at such time and place as sholl be specified in each notice, or in delout thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Osted this 3rd day of April 1986.

P. McMJACK.
Liquidator.

Clubs



Personal



WITHOUT RESEARCH? Surgical Research goes hand in glove with all other vital medical quests for more effective nearments

But our Surgical Research Fund operates solely on donations from the public. And we urgently need more money to continue this vital work. THESURGICAL RESEARCHFUND

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NEW TRENDS IN TRADE FINANCE

Trade Finance techniques are responding to rising demand for trade credit with more flexibly tallored instruments and products—a round-up of the latest knowstions.

Schemes to provide guarantee payment and credit:

(ii) Factoring

(1) Forfaiting (ii)
Schemes to provide risk protection:
(i) Credit Insurance (ii)
a) Public Sector
b) Private Sector
c) Political Risk

should contact:

(ii) Exchange Risk

2) ECU financing

b) Customised options

c) Forex and Interest rate guarantees Schemes to off-set exchange control difficuloes:

(1) Countertrade (ii) Mixed Credica

The Banker in its May issue will be publishing a major report on the Trade Finance industry. Banks and Financial Institutions wishing to demonstrate their commitment to this important sector of international commercial banking by advertising in this report

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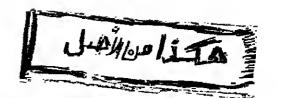
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| NEW YORK ACTIVE STOCKS | Change | Stocks Closing sn | Traded price day | Nevistar | 5.171.400 | 10% | + 5 | Welt Disney | 1.8 | Garber | 1.80 | 27% | + 14 | Garber | 1.80 | 27% | + 14 | Garber | 1.80 | 27% | + 16 | Garber | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 |

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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Datic .58 .03 .45e 1.40 .01 .46b 56 57'a 15'4 33'4 4 7334 233 30'8 20 403 56°; 57°s 18°s 33°s 4°s 75°s 24 30°s 40°s Ср .78 1-50 -16 -44 .20 1.32 -28 -86 -20 -25 -56 -15 .64 .80 .15e .06 C 244 1 27 1 284 1 COR Anb 15 635 631 112 76 631 112 76 110 21 1 SL Ind s SPSTec. 88 Sabine .64 Sabine .64 Sabine .30 SigdSo SigdSo wt Sartid a .52 Sabeny1.70 Saga .52 Sabiny1.70 Saga .53 Santiny1.70 Saga .50 Sa 115, 341, 135, 201, 351, 135, 201, 145, 201, 145, 201, 156, 201, 166, 201, 1 -12 1 04 1.52 .60° .52 .23 1.02 .16 1,52 -80 2,30 -56 .085 .084 .084 0 578 3674 3774 577 2375 1278 773 33 1 60 1.50 .65 .84 0 1112 3774 8572 3574 41 2074 3874 1117 15₈ + 11₃ -373₄ -853₄ -36 + 411₄ -211₈ 88 -111₂ Oceane Ocellus Ogiliga OnioGa OldKint OldRps OldSptO OneBop OnLine + 1₄ - 1₈ - 1₄ - 1₄ + 3₄ 394, 114,

LIFFE US TREASURY BOND FUTURES DPTIONS

LONDON SE E/S OPTIONS £12.500 (cents per £1)

Calla-Sept 0.96 2.46 1.96 1.47 1.00 0.58 1.89 1.42 0.96 0.80

Apr. 11: # | 5 | DM | YEN | F.Fr. | S.Fr. - H.FL. Lira . Ce | E.Fr.

C\$ 0.485; 0.715 1.548; 197.5 5.851; 1.576 1.957 1129; 2, 55.28 8 Ft. t 1.458 2.150 4.956; 383.4 16.79 4.156 8.583; 5386, 5.007 100,

EURO-CURRENCY INTEREST RATES

1, 1,475 3,400 263,0 10,83 2,832 6,830 9565 2,063 66,60 0,678 1, 3,305 178,3 7,342 1,924 6,587 1575 1,398 46,51

0.294 0.434 1. 77.35 5.165 0.835 1.129 683.0 0.607 20.18 6.802 9.608 12.93 1000 41.18 10.79 14.56 8833 7.842 260.6

0.985: 1.580 3.139-2428 10, 0.820 5.536 2105: 1.904 63.88 -0.352 0.580 1.198 92.68 5.817 1, 1.550 818.1 0.727 24.74 0.891 D.385 0.888 68.67 8.838 0.741 1. 606.5 0.538 17.01 0.430 0.559 1484 113.2 4.662 1.281 1.648 1000 0.888 29.53

CURRENCYMOVEMENTS OTHER CURRENCIES

79.1 118.7 79.1 125.0 95.2 85.1 134.0 165.6 68.6 46.9 195.2

Morgan Guaranty changes: average 1980-1982-100. Bank of England Index (base average 1975-100). *Morgon Guaranty rates pre for April 10

EXCHANGE CROSS RATES

French frano

CURRENCY RATES

8,5161

Striks Calls—Last price April May June Sept April May June Sept April May June 1.20 — 28.22 3.22 0.00 — 1.30 18.22 18.22 18.22 18.22 9.00 9.01 1.35 13.22 13.22 13.22 13.22 13.22 9.00 0.11 1.40 8.22 8.25 8.48 9.38 0.00 0.54 1.45 3.23 4.51 5.01 0.44 0.03 1.80 1.50 9.17 2.00 2.68 4.20 1.97 4.29 Estimated volume total, Calls 448, Puts 135 Previous day's open int, Calls 5,419, Puts 0.623

PHILADELPHIA SE E/5 DPTIONS £12,500 (cents per £1)

LIFFE E/S OPTIONS £25,000 (cents per £1)

Beiglen Fr... 234 55.5747 48.7031
Denish Kr... 7 0,71143 7.93174
O'mark... 512 0.93847 8.15517
Guilder... 418 8.97376 2.46785
French Fr... 94 8.40793 8.85280
Lira... 14 9.807876 2.46785
Norway Kr. 6 8.26813 6.77259
Span'h Pta. 8 8.26813 6.77259
Span'h Pta. 9186.687 188.387
Swedtsh Kr. 812 8.55020 9.82866
Swiss Fr... 4 9.30740 1.80322
Dreek Dreb 2012 164.487 134.498
Irish Punt... 0.868431 0.708447

Notice

To the Holders of

III US\$ 5 44 Convertible Bonde due 1st October, 1990 (Sec. Code 554. 209) and

Convertible Bonde due 1st October, 1993 (Sec. Code 553.955)

versess Finance (Curação) N.V. unconditionally guaranteed by and convertible into bearer shares of intenshop Holding Ltd., Zu-

The Soard of Directors of Intershop Holding Ltd. will propose to the extraordinary General Meeting of Shareholders convened for May, 1986 that the present share capital of St. 130 millions be raised in SFr. 160 millions by issuing 150'000 new Bearer Shares A with 8

Of these new shares, 50'000 (max.) will be offered to the shareholders for subscription at a price of SFr 500 per share, at 8 ratio of one new share for every ten old bearer and/or registered shares.

Based on the number of shares entitled for subscription at pre-sent, 38 515 new shares would be recessary. This number may increase depending on conversions or the exercise of warrants occurring before ma 25th April, 1986. The remaining 100 000 new shares will be reserved for the issuance, on the Euromarket of bonds with warrants of Intershop Holding Ud. The definitive conditions for the issue of the bonds will be fixed at a later date. The preemptive rights of the shareholders for the subscription of the reserved shares and the bonds will be excluded.

Provided the capital increase is carried out as stated above, the conversion prices of the US\$ 51446 Convertible Bonds due 1st October, 1990 and US\$ 646 Convertible Bonds due 1st October 1990 and US\$ 646 Convertible Bonds due 1st October 1993 of Intershop Diverseas Finance (Curação) NV with be reduced effective 2316 May, 1986. The new conversion prices will be published as soph as

The holders of the above-mentioned Bonds wishing to evercise their subscription rights for new shares are required to exchange their Bonds for Bearer shares of Intershop Holding Ltd. not later than Friday, 25th April, 1988

Bonds will not be convertible from Finday, 25th April, 1986 to and in-cluding Finday, 23rd May, 1986 (the date on which the shares of Inter-shop Holding Ltd. are traded exinghts).

Zunch, 14th April 1986

la legrand

Sales up 31 percent

Net income up 40 percent

The Board of Directors met on March 24, 1986, with Mr Edouard Decoster to the chair, to approve the cansolidated financial statements for 1985. Highlights of the cansolidated otatements are shown below:

| (in millions of French Francs) | 1985 | 1986 | 96 |
|--|-----------------------------|---------------------|-----|
| Net sales % earned abroad Net income (Group share) % of sales 43% | 4,470 40% 191.1 4% | 3.407 31% 136 | +31 |
| Cook Cook | | | |

(funds provided from operations) 482.2 432.8 (1) +11 After adjustment for changes to the structure of the Group. the iocrease in sales works out 10 12 per cent.

Io view of the upward trend in margins, which is expected to coordinue in 1986, the Board will propose to the Annual General Meeting, on June 16, 1986, to declare:

—8 dividend of 62.50 Francs per ordinary share (93.75 Francs)

including tax credit;
—a divideod of 100 Francs per preferred share (150 Francs including tax credit).

These dividends are twice as high as the ioterim dividends declared on Jaouary 31, 1986 (i.e. 31.25 Francs per ordinary share and 50 Francs per preferred share) and represent an 8.7 per ceot rise on the previous year's dividends.

Mr Fraocois Grappotte, Chief Operating Officer, has been appsloted Deputy Chairman af the Board. (1) Allowing for o oso-recurrent tax provision.

FOREIGN EXCHANGES

Firmer yen seems inevitable

April 11 Prev. close

to the US dollar

had won a surprisingly large de-valuation of the franc, and that

FT-SE 100 INDEX £25 per full index point

174.10 179.**60**

Close High Low Prev 171.85 173.20 171.85 171.65 174.10 — 173.90 179.80 — 176.40

Close High Low 103-11 104-00 103-12 103-04 102-24 103-02 102-29 102-14 102-02 101-24

Estimated volume 6.022 (4,815) Previous day's open int. 6,729 (7,060)

102-07 101-15 100-24 100-03 98-12 96-24 96-06 97-19 97-03

US TREASURY BONDS (CBT) 6% \$100,000 32nds of 100%

102-13 101-20 100-27 100-03 98-13 98-24 98-06 97-18 97-03 96-06

CERT DEPOSIT (IMM) \$1m points of 100%

Latest High

93,62 93,69 83,63 93,70 93,79 93,73 93,69 93,70 93,65 93,41

June Sept Dec March June Dec

West Germany and Japan bave ₤ IN NEW YORK two of the world's strongest eurrencies, but are dealing with the problems this creates lo rather different ways. From the point of view of s public relations exereise Germany emerges in a rather more favourable light but perhaps that is inevitable, given the constraints of the European Moneatry System on the Bonn

Gsvernmeot.

If the EMS was in continue to sperate smoothly, West Germay had little option but to agree to the effective 6 per cent revalua-tion of the D-mark against the French franc, the weekend be-fore last. Before the realignment the Bank of France had been sup-

the Bank of France had been supporting the frane with very high Eurocurrency ioterest rates, in so attempt to deter the speculators, but this was something the French authorities had no intention of continuing once last month's French elections were out of the way.

Trading between the D-mark and frane was hectic and confusing for much of last week, resulting in the ironic situation of the Bank of France intorveoing heavily to support the D-mark. This was largely a reflection of the unwinding of speculative positions taken out before the realignment, as realignment, dealers who had previously sold francs took profits, by buying the currency back at the devalued

LONDON

20-YEAR 12% NOTIONAL GILT E50,000 32nds of 100% Close High Low Previous 128-23 128-21 128-25 128-21 128-26 128-26 128-27 Sept Dec US TREASURY BONDS 8% \$100,000 32nde of 100% CHICAGO

June 171-95 173-20 171-95 102-38 Estimated volume 476 (466) Previous day's open int. 1,959 (2,084)

revious day's open Int. 17.036 (17.067) RALICOORUS HT/NOM-SSRH High 93.41 93.52 93.40 93.21 93.01 93.34 93.41 93.32 93.12 92.93 92.76 92.59

NOTICE OF REDEMPTION To the Holders of

General Mills, Inc.

U.S. \$100,000,000 12% Notes, Series A. due December 19, 1991

NOTICE IS HEREBY CIVEN to the holders of the outstanding 12% Notes, Series A, due December 19, 1991 (the "Nates") of General Mills, Inc. (the "Company") that, pursuant to the provisions of Section 7(a) of the Series A Fiscal and Paying Agency Agreement dated as of December 19, 1984 between the Company and Morgan Guaranty Trust Company of New York (the "Fiscal Agent") and Paragraph 4(a) of the Terms and Conditions of the Notes, the Company has elected to redeem on May 15, 1986 U.S. \$7,975,000 principal amount of the Notes (the "Redemption Notes") at 8 redemption price equal to 101% of the principal amount thereof, together with accrued interest to said date, in the amount of U.S. \$243.33 for each U.S. \$5,000 principal amount and U.S. \$486.67 for each U.S. \$10,000 principal amount as follows:

OUTSTANDING NOTES OF \$5,000 EACH BEARING THE FOLLOWING DISTINCTIVE NUMBERS:

Payment will be made, subject to applicable laws and regulations, in U.S. dollars on and after May 15, 1986 upon presentation and surrender of the Redemption Notes with coupons due December 19, 1986 and subsequent coupons attached, failing which, the amount of missing unmatured interest coupons will be deducted from the sum due for payment and paid in the manner set forth in the Terms and Conditions of the Notes against surrender of the related missing interest coupons within the period of time prescribed by the applicable statute of limitations, at the main offices of the Fiscal Agent in London, Brussels, Frankfurt am Main, Paris and Tokyo, the main office of Amsterdam Rotterdam Bank N.V. in Amsterdam, the main office of Swiss Bank Corporation in Besle and the main office of Krediethank S.A. Luxembourgeoise, in Luxembourg. Payments at said offices will be made by a United States dollar check drawn on a bank located in The City of New York, or by transfer to a dollar account maintained by the payee with a bank in London. No payment on any Bearer Note will be made at the Corporate Trust Office of the Fiscal Agent or any other Paying Agency maintained by the Company in the United States nor, except as otherwise permitted by U.S. Treasury Regulations without adverse tax consequences, will any payment be made by transfer to an account maintained by the payee in, or by mail to an address in, the United States.

in the value of the yeo, and in o cut in the Bank of Japan's discount rate to stimulate the domestic ecoosmy. An economic package was announced last week, involving increased speeding on public works, and alterations to some interest rate regulations, but opinion abroad is likely to regard this as insufficient £ 6pct 151.4600-1.4815 \$1.4786-1.4809 1 mpnth 0.48-0.47pm | 0.48-9.41pm 2 months 1.25-1.22pm | 1.28-1.22pm 12 months 13.63-3.55pm | 3.63-3.55pm clont, and will wish to see strooger evideoce of Mr Naka-But the market also felt France

sone's claimed intention to make the economy less dependent on

valuation of the franc, and that
the stronger D-mark would restrain German export growth.
One country with 0s problems
in generating export growth is
Japan, but this success has led
to inevitable criticism from
ahroad, and according to Mr
Nigel Lawson, the Chancellor of
the Exchequer, agreement by
Japan's main trading partners
that the yen must continue to As a large importer of oil Japan will be a major benefi-ciary from the sharp fall in world oil prices, a fact which has not yet been fully reflected in not yet been tally renected in exchange rate movements. The yen is shout the same level against sterling as in late February last year, when oil prices were around \$30 a harrel, compared with the present level of \$13.50.

Japan's main trading partners that the yen must cootinue to appreciate.

Mr Yasuhiro Nakasone, Japanese Prime Minister, visited President Reagan et Camp David at the weekend, and bardly needed reminding of the protectionist lubby in the US Congress.

Japan's record trade surplus of \$6.66bn in March, and the record \$52.6hn surplus for the last financial year, provide powerful ammunition for those seeking to restrict the flow of Japanese exports into the US and Europe.

However much the euthorities A summit meeting of the lesding seven industrial nations takes place in Tskyo in May, when the needed reminding of the protectionist linhby in the US Congress.

Japan's record trade surplus of S6.66bn in March, and the record S52.6hm surplus for the last financial year, provide powerful ammunition for those seeking to restrict the flow of Japanese exports into the US and Europe.

However much the euthorities in Tokyo may resist, there seems no alternative to a further rise place in Tokyo in May, when the place in Tokyo in May, when the place in Tokyo in May, when the Japaness Governments will not control to the surplus of concerted criticism from other countries. Against this beek-ground the present level of the dollar seems too high at Y178, and the Bank of Japan may find it the lesser of Several unpulsately options to allow the US currency to fall 10 a new record low of under Y175.

THREE-MONTH EURODOLLAR (IMM)

| | Latest | High | Low | Prev | Previous | day's | rolume, | Calle 2,7 | UZ, PUC |
|--------------|------------|-----------|-------|-------|----------|---------|------------|-----------|----------|
| LITTLE | 93.33 | 93.42 | 93.32 | 93.37 | CHE | DEN | CY FL | ITUR | ES |
| epl | 93.41 | 93,49 | 53.41 | 93.45 | COL | ILT-14 | <i>7</i> 1 | ,, ,,,, | |
| Dec | 93.30 | 93.41 | 93.29 | 93.35 | | | | | _ |
| Aarch | 93.12 | 93.22 | 93.19 | 93.17 | POUND | -S (FO | REIGN E | KCHANG | E) . |
| lune | 92.93 | 93.03 | 92.B2 | 92.98 | Spot | 1.mth. | 3.mth. | 5 mth | 12-mth |
| dept | 32.75 | 92.85 | 92.74 | 92.80 | 1.4750 | 1.4703 | 1.4529 | 1.4545 | 1.4397 |
|)ec | 92.59 | 92.69 | 82.57 | 92.64 | | | | | |
| Asrch | 92.42 | 92.53 | 92.40 | 92.43 | IRAM— | STERLIN | G SE per | £ . | |
| | | | | | | Latest | High | Low | Prev |
| | | | | | June | 1.4685 | 1.4745 | 1.4640 | 1,4756 |
| IS THE | ASURY I | 21115 (10 | ALC: | | Sept | 1,4810 | 1,4670 | 1.4565 | 1,4670 |
| | inte ot 1 | | , | | Dec | , | 1,4535 | 1.448C | 1.4578 |
| till po | mile of it | | | | March | . = | ., | | - |
| - | 1-1 | High | | | June | _ | _ | _ | _ |
| | Latest | rugn | Low | Prev | Sept | _ | _ | · – | _ |
| LINE | 94.42 | 94.48 | 94.38 | 94.43 | | | | A F | _ |
| tqui | 94.63 | 94.62 | 94.51 | 94.55 | TILL E | STEHLIN | IG £25,00 | RD 5 per | E |
| ec | 54.44 | 94.53 | 54.42 | 94.45 | | Close | High | LDW | Pres |
| darch | 94.27 | 94.39 | 94.25 | 94.35 | June | 1.4730 | 1.4705 | 1.4665 | 1.4650 |
| LINE | 94.14 | 94.23 | 94.13 | 94,19 | Sept | 1.4635 | _ | - | 1.4460 |
| ept | 33,98 | 94.07 | 93.98 | 94.04 | Dec | 1.4560 | _ | _ | 1.4365 |
| ec | 93.85 | 93.54 | 93.85 | 93.91 | | | ne 84 (6 | 41 | |
| farch | 93.72 | 93.80 | 93.72 | 93.79 | Previou | a day's | open int | 2,285 (| 2.303) : |
| | | | | | | _ | | | |

FORWARD RATES AGAINST STERLING

| MS | EURC | PEAN | CURREN | CY UNI | T RATE | 5 : |
|--------|--------|-------------------------|--|-------------------------------------|--|----------------|
| | | Ecu central rates | Currency amounts against Ecq April 11 | % change from central puts | % change adjusted for divergence | Divergence |
| nelpi | franc | 43.6761 | 43,7601 | +9,19 | +0.19 | 土1,5388 |
| nish k | CPODE | 7,51596 | 7.93174 | +9.16 | +0.10 | +1.6408 |
| man | D-mark | 2,13834 | 2.15517 | +9.79 | 10.79 | ±1.1202 |
| nch f | rane | 6.96280 | 6.86280 | -1.44 | -1.44 | +1.3701 |
| | ilder | 2,40835 | 2.42385 | +0.77 | +0.77 | 1.5081 |

-0.63

| pril 11 | Day's | Close | One month | % p.a. | Three months | γ. |
|---------|---------------|---------------|---|-------------------|-----------------|------|
| Kt | 1.4745-1.4820 | 1.4745-1.4755 | 0,49-0,46c pm | 3,86 | .1.24-1,19 pm | 3.2 |
| plendt | 1,3145-1,3290 | 1,3195,1,3210 | 9.65-0.40c pm | | 1,25-1.00 pm | 3.4 |
| eneda | 1,3836-1,3916 | 1.3910-1,3915 | 9.35-0.38c dis | | 0.94-0.99dis | -2.7 |
| albind. | 2.5785-2.6000 | 2.5965-2.5975 | 9.35-0.32e pm | | 1-01-0.98 pm | 1.5 |
| tgium | 46.50-45.92 | 48.55-48.65 | 7-11c dis | | | -1.5 |
| enmark | 8.404-8.50% | 8.473-8.484 | par.0.60ore dis | | 0.75-1.35dis | -9.4 |
| . Gar. | 2.2815-2.3119 | 2,3050-2,3060 | 0.40-0.35pf pm | | 1.32-1,27 pm | 2.2 |
| rtugel | 151,20-152,30 | 151.20-151.70 | 160-370c dia | | | 19.3 |
| DEIO | 144.95-146,12 | 145.65-145.90 | 65-95c dis | | | -6.0 |
| ily | 15681-1584 | 15744-15754 | 6-7-lira dia | | | -5.1 |
| DIWZY | 7.20.7.26% | 7.232-7.24 | 3.55-3.95ore die | | | -9.1 |
| эпсе | 7.2900-7.3550 | 7.3420-7.3430 | 0.50-0.85c dis | | | -9.7 |
| waden | 7.283-7.314 | 7.29-7.291, | 2.10-2.40ora dia | | | -3.5 |
| pen | 177.56-178.56 | 178.30-178.40 | 0.34.0.28y pm | | 0.57-0.67 pm | 2.0 |
| USTIFIE | 18.044-10.784 | | 3.00-2.40gre pm | | 8-6 pm | 1.7 |
| WITE. | 1.9000-1.8375 | 1.9240-1.8250 | 0.43-0.38c pm | | 1.33-1.28 pm | 2.6 |
| dieco | unte apply to | the US doller | US currency. For end not to the france. Financial | brewnd individ | promiums eod | |

POUND SPOT-FORWARD AGAINST POUND

11-114 10%-10%
6%-7% 6%-6%
10%-10% 0%-0%
5%-5% 5%-5%
24.5 44.4%
8-814 7%-7%
04-10% 9%-11%

1214.1212 94.934 24.1112 94.934 57.654 5.54 612.2 3.812

ers call for US dollars and Japaness yen; others two days' notice.

Long-term Eurodollars: two years 74-74 per coop three years 74-74 per core; if years 74-75 per cont; five years 74-85 per cent nominel. Short-term raps.

10.1-19/2 0:-01/2 9/2-9/2 5/2-9/2 4/2-1-1 4/2-4-2 7(4-7)/2 10-1-11/2

74-84 74-84 478-413 712-8

| | | | | · | | ٠. |
|-----------|-----------------|----------------|-------------------|----------------|-----------------|------|
| April 11 | Dey's | Ciose | One month | 7. D.L. | Three months | |
| U5 | 1,4745-1,4820 | 1.4745.1.4755 | 0.49-0.48c pro | 3.86 | 1,24-1.19 pm | 3. |
| Cenada | 2.0436-2.0659 | 2.0595-2.0655 | -0.10 pm-0.01cdis | 0.25 | 0.15-0.01 pin | 0. |
| Nethind, | .3.814-3.834 | 3.824_3.834 | 17s-11-c pm | 5.09 | 47,-47, pm | 4. |
| Belglum | 68.55-68% | 68.55-68.65 | 20-par c pm | - 1.74 | 40-20 pm | 7. |
| Denmark | 12,469,12,537 | T2.507-12.508 | 43-23-0re pm | 2.32 | 912-8 pm | 2.5 |
| i reletid | . 1.1120-1.1240 | 1.1185-1.1795 | 0.05.0,20c dis | | par.30.dis. | -2 |
| W. Ger. | 3.3619-3.4110 | 5.3975-3.4025 | 1½-1½pi.pm | 5.29 | 5-412 pm | 5 |
| Portugaf | 219.01-229.71 | 219.11-229.71 | 760-390c dis - | | | -13 |
| Spein | 214.97-216.71 | 215.19.215.71 | 20-70c dis | | 100.225 dis | -3. |
| tely . | 2318-2337 | 23221-2323 | 2 pm-70/ira dia | -2.06 | 2-18 dis | -1. |
| Norway ' | 19.67-10.74 | 10.677-70.6812 | 11-24ora dis | -2.52 | 71-81 dia | ÷2 |
| France | 10.783-10.85 | 70.62%-10.83% | 31-Z'ac om | 2.90 | 77a-63a pon | - 2 |
| Sweden | 10.75-10.83 | | 4 pm-4om dis | -9. 2 7 | pm - die | -0: |
| Japan . | 262 - 2634 | 2621-2631 | 15-15y pm | 8.27 | 3's-3's pm | - 6. |
| uetria. | 23.81.23.91 | 23.87-23.91 | 1212-701-gro pm | 5.77 | 324-284 pm | 5. |
| Condew | 7 9764 7 4490 | 2 2220 2 2220 | 40 41 - | - | | - |

Belgian rate is for convertible france. Financial franc 89.40-69.50. Six-mooth forward dollar 2.06-2.03c pm. 12-month 3.63-3.43c pm.

NEW YORK RATES

(4 pm)
Frime rate
Sroker loan rate
Fed lunds
Fed tunds of intervention

MONEY MARKETS

Bank resists further cuts

Clearing bank base rates were cut by † per cent to 11 per cent last Tuesday, but by the end of the week this seemed to be a matter of history, as the London money market and the Bank of England squared up for s test of nerves about the timing of the next cut. The average rate of discount at Friday's Treasury bill tender was around 918 per cent, pointing to a further reduction of at least i per ceot to 10} per cent in base rates,

although many deslers felt that this week could see base rates

UK elearing banks base lending rate 11 per cent since April 8

contrasted sharply with the stance taken by the authorities. The Bank of England did not signal the cut to 11 per cent, and was determined to prevent any fur-ther downward move.

National Westminster Bank led the way to lower base rates on Tuesday, when eredit con-ditions were virtually flat. Only in the afternoon did the

as low as 10 per cent. WEEKLY CHANGE IN WORLD INTEREST RATES

| LONDON | April 11 | change | NEW YORK | April 11 | chanc |
|-----------------------------------|----------|--------------------|-----------------------|--------------|------------------|
| Base rates | 11 | Ig | Prime rates | 0 | Unch' |
| 7 day Interbank 3mth Interbank | 1034 | | Fodoral funds | 7.4 | 1-14 |
| Treasury Bill Tender | 9.8249 | | 6 Mth. Treasury Bills | 6.15 | -0.28 |
| Band 1 Sills | 107g | | 3 Mth. CD | 6.58 | -0.29 -0.43 |
| Band & Alha | 10/4 | -72 | | | |
| Sand 5 Sills Sand 4 Bills | 10% | -18 | FRANKFURT | | |
| 5 Mth. Tressury Bills | 1073 | Uneh'd | One afth, Interbank | 5.5 4.425 | Unch |
| 1 Mth. Bank Bille | 1034 | | Three month | 4.486 | 0.02 |
| 5 Mth. Bank Bills | 10 rs | - 18 | | | 0.0. |
| TOKYO | | : " | PARIS | | |
| One month Bille | 5.09375 | -O.125 | Intervention Rate | 814 | Unch' |
| Three month Bills | 5.21676 | 'Unoh' d | One Mth. Interbank | 714 758 | -56 -64 |
| SRUSSELS | | 1 | MILAN' | | |
| One month | 813 | | One month | 15/2 | -70 |
| Thres month | 2% | -14. | Three month | 144 | 86 |
| AMSTEROAM | | ! | PUBLIN | | 1. |
| One month | 84 | 1-14 | One month | 117e | -014 |
| Three month | 614 | :—/ * · | Three month. | 10.8 | -0 ₁₀ |

band 2 bits 34 to 63 days and band 4 bills 64 to 91 days. Rates quoted sent Bank of England buying or selling rates with the money market. In centres rates are generally deposit rates in the domestic money market their respective changes during the week.

MONEY RATES

| | Ovr-niot | | | Three Months. | | |
|---|--|--|-------|------------------|----------------|----|
| Frankfurt Paris Zurich Amsterdam Tokyo Milan Brussels | 7 ₈ -11 ₈ 8 ₁ 4-51 ₄ 4.65628 145 ₈ -15 | 7-1-77g 44-44 8-1-5-1 8-09970 15-1-141g 87g 0 | 78-7# | 76.7世 | 76.74 63.54 | 84 |

Treasury Bills & Bonds outhorities endorse the move by cutting the intervention rats on band 2 bills.

Expectations of another base rate cut continued, in spite of the refusal by the Bank of England to buy bills from the market on Thursday. market on Thursday,

BANK OF ENGLAND TREASURY BILL TENDER

| | 111 April 4 | | April 21 | April 4 |
|--------------------|---------------|--|----------|----------|
| Bills on offer £10 | 0m £100m | Top Accepted | | 1 1 1 |
| applications 956 | 7m PEO7- | rate of discount. | 0.9670% | 10,7994 |
| Minimum £10 | Om / £100m | rats of discount | 9,8249% | 10.70091 |
| eccepted bid £97, | 54m £97.826 | Amount on offer | 10,07% | 10,993 |
| minimum level 100 | 173 | at next tendor | £100m | £100m |
| | | | | |
| | | Name of Street, or other Designation of the Owner, where the Parket of the Owner, where the Owner, which the Owner, where the Owner, which the | | 5, 77 |

FT LONDON INTERBANK FIXING (21.00 a.m. April 11) Six months US dollars Three monthe US dollpre

Offer 67s five reference banke et 11 am each working day. The banks ere National Wastmineter Gank. Gond of Tokyo. Ocursche Bank, Bonque Nationale de Paris and Morgan Guaranty Trust. The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates (or \$10m quoted by the market to

LONDON MONEY RATES

| | Over | 7 | | | | |
|---|-------|-------------------|----------------------|------------------------------------|--|---|
| April 11 | night | 7 days -notice | Month | Months | Six Months | One- Year |
| Sterling ODS LocalAuthorityDepos | 5-113 | | | 1014 101g | | 95g 911 95g 912 |
| Discount Mkt Depos. Company Depos. | 7.10% | 103 | 103 | 1014 1012 10 | 93, 103e | 91 ₂ 97 ₈ |
| Finance House Dapos Treasury Bills (Buy) Bank Bills (Buy) | e | 11 1112 | 10[] 10[] 1034 | 101 ₂ 10 4 10 | 943 · { | 9.5 |
| Dollar CDe | | . <u>=</u> | 105 | 101 | 95g 10 | |
| EGU Depos. | | = | 64 64 74-74 | 8.65 6.701 8.4.6 kg 7.4.7 kg | 5.60 8.884 648-858 71 ₈₋₇₁₄ | 8.70 8,75 71 ₈ 71≥ 713 71± |

Treasury Bille (sell): one-month 10's ppr cent: three-months 3's per cent. Bank Gillp (sell): one-month 10's 10's per cent: three-months 9's per cent. Bank Gillp (sell): one-month 10's 10's per cent: three-months 9's per cent. Freepury Bills: Average, tender rate at discount 9.8249 per cent. ECGD fixed Local suthority and Finence dets March 5 to April 1 tinculeive): 11.677 per cent. Finance Houses seven deys notice, others seven deys fixed cents suthority and Finence Houses seven deys notice others seven deys fixed cents of the seven deys fixed to the seven deys fixed to other seven deys fixed for our fixed to other seven deys fixed t

DATED: April 14, 1986

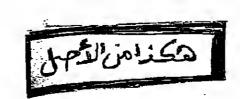
the United States.

From and after May 15, 1986, the Redemption Notes will on longer be outstanding and interest thereon shall cease to accrue. U.S. \$35,800,000 principal amount of Notes will remain outstanding after the redemption.

It is suggested that each holder consult his own tax advisor concerning his particular tax situation.

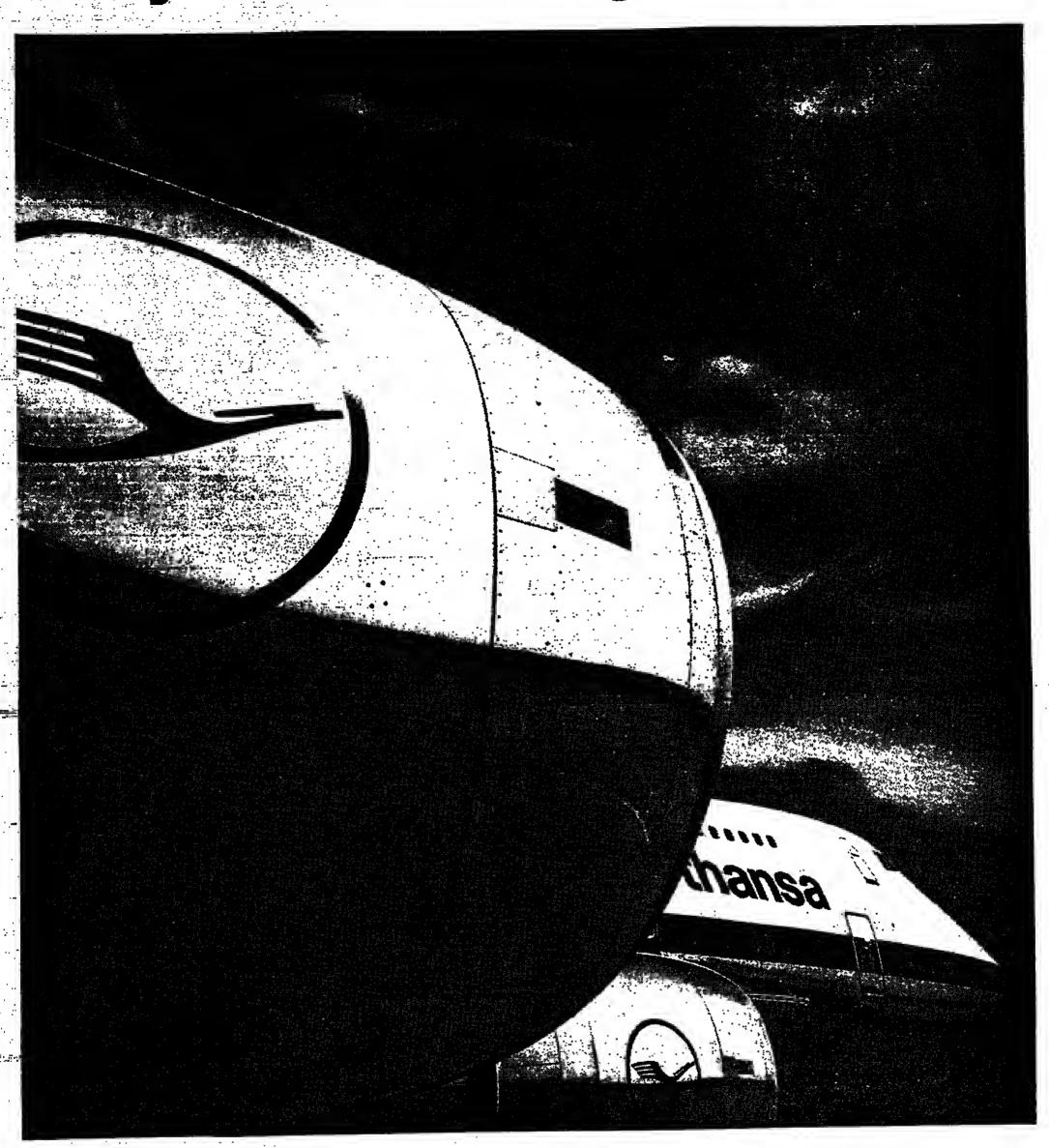
Any payments made to an oddress in the United States, directly or by electronic transfer, may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withhelding of 20% of the gross proceeds if payees out recognized as exempt recipieous fail to provide a Paying Agent with an executed IRS Form W-8 in the case of non-U.S. persons or an executed IRS Form W-9 in the case of U.S. persons.

Under the Interest and Dividend Tax Compliance Act of 1983, we may be required to withhold 20% of any gross payments made within the United States to certain holders who fail to provide to o Paying Agent listed above, and certify under penalties of perjury, a correct taxpayer identification number (employer identification number or social security number, as oppropriate), or an exemption certificate on or before the date the securities are presented for payment. Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to o penalty of \$50 imposed by the IRS. Please therefore provide the appropriate certification when presenting your securities for payment. CENERAL MILLS, INC.



Every status has its symbol.

JPHER LON



Lufthansa